

NEWS SUMMARY

GENERAL

Another tanker lost off Africa

A Liberian registered tanker, *Albahaz B*, exploded and sank off the coast of Tanzania, the second ship to be lost off Africa within three days.

The *Albahaz B's* Hong Kong operator, said the 109,465-tonne ship exploded after static electricity had built up while the tanks were being cleaned. The ship was sailing to the Gulf after unloading oil from Saudi Arabia at Durban. Six crewmen are missing.

Earlier, the Liberian-registered *Myrcene* sank off Senegal with the loss of one man.

January's 214,000-tonne *Salem* was lost off West Africa. Its captain is awaiting trial on charges of destroying his ship, diverting its cargo of Kuwaiti oil to South Africa, and forging captain's documents. Back Page.

BUSINESS

Sterling off 1.6c; Equities steady

STERLING was weaker in this pre-holiday trading, losing 1.6c against the dollar to close at \$2.1390. Its trade-weighted index fell from 72.7 to 72.3.

EQUITIES on Thursday appeared to ignore the Treasury forecast of a 4 1/2 per cent drop in manufacturing output and the FT 30-share index started the holiday 0.5 higher at 432.6. The Gold Mines index closed 2.7 up at 287.4.

GILTS ended the second leg of the three-week Budget Account with dealers apparently preoccupied with thoughts of the holiday. The Government Securities index closed 0.24 down at 64.74.

GOLD fell \$23.5 an ounce in London to close at \$477.5, a fall for the week of \$7.5.

DOLLAR was firmer, closing at DM 1.9650 (DM 1.9510) and Sfr 1.8860 (Sfr 1.8525). Its trade-weighted index rose from 91.6 to 91.8.

WALL STREET closed 3.67 down at 784.13.

SILVER led a recovery in prices on the London Metal Exchange, rising 42.5p to 687.5p a troy ounce. Page 17.

U.S. CAR sales fell 16 per cent last month compared with March, 1979, as manufacturers announced further lay-offs or cuts in production. Imports were 6.9 per cent down. Back Page.

UNEMPLOYMENT in the U.S. climbed 0.2 per cent to 6.2 per cent last month and the inflation rate eased, fulfilling the predictions of both the Carter Administration and private analysts. Page 2.

HALF the adult population in Britain does not have a bank account, making it one of the least "banked" nations in the developed world, says a report by the Bank for International Settlements. Page 3.

Airline to sue

Independent airline British Caledonian is to sue the U.S. Federal Aviation Administration for barring UK-owned DC10 aircraft from U.S. airspace following last year's crash at Chicago. Back Page.

Skiers killed

Two Britons were among six skiers killed in a fall in the Italian Alps near Aosta.

Martens crisis

Belgium's Prime Minister Wilfried Martens held talks with coalition party leaders in an attempt to save his 11-month-old government. Page 2.

Holiday rush

More than 30,000 cars an hour left London as holidaymakers headed for the South Coast and West Country. Weather forecast. Back Page.

Rail threat

National Union of Railwaymen expects all its members to stop work on May 14 in support of the TUC's day of protest against Government policies. Back Page.

Arson charge

Two men are expected to appear in court today in connection with the arson attack on a holiday cottage near Prestatyn, North Wales.

Policeman shot

Part-time policeman was shot dead at the Belfast factory where he worked. A full-time member of the RUC was seriously injured when his car was booby-trapped outside a police station in the city.

Oil warning

Senior Iranian religious leader warned of disruption in Gulf region and threat to Western oil supplies if the U.S. imposes further sanctions against Iran because of the American hostages. Page 2.

Pay now, die later

An American woman has changed her mind about donating her body to science when she dies because a medical school said it would accept it only if she paid \$60 (\$28) plus transport costs in advance.

Briefly

Ching Ching, London Zoo's giant panda, is showing signs of recovery although still critically ill.

Taxi fares in London are to rise by an average of 25 per cent.

New York may introduce a four-day working week if the city's transport strike continues.

PUBLISHER'S NOTICE

The Financial Times will not be published on Easter Monday, April 7.

CHIEF PRICE CHANGES ON THURSDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Excheq. Spec. 1983-87	277 1/2	Burmah Oil	212 1/2
B and Q (Retail)	78 1/2	Cambridge Pet.	250 1/2
Bassett (G.)	69 1/2	Fremier	71 1/2
Breedon Old Lime	118 1/2	Siemens (UK)	670 1/2
Brown and Jackson	185 1/2	Miloco	145 1/2
Brumfitts (Wharf)	75 1/2	Patino NV	211 1/2
Dunlop	58 1/2	Samothra	74 1/2
Grafton Warehouses	76 1/2		
Hambros Bank	333 1/2		
Jordan (T.)	57 1/2		
Lacey	23 1/2	Beckman (A.)	85 1/2
Morgan Crucible	130 1/2	Pleasurama	120 1/2
Mothcare	228 1/2	Stone-Platt	25 1/2
P and O Ltd	117 1/2	Thorn EMI	248 1/2
Turner and Newall	106 1/2	Tube Inv.	248 1/2
Union (E.)	96 1/2	Yarrow	280 1/2

Steel walkout over 'provocation' hits two key areas

BY ALAN PIKE, LABOUR CORRESPONDENT

Hopes of a swift and smooth return to work to assist British Steel Corporation's recovery from the 13-week national strike were in ruins last night as industrial action was resumed amid accusations of provocation.

Many thousands of steelworkers in Sheffield and Rotherham, and at the Port Talbot works in South Wales walked out again only one day after the official return to work in a dispute over the hacking.

Unless the disagreement can be quickly brought under control there is a danger of its spreading to other parts of BSC.

At Port Talbot about 1,000 strikers tried to storm the BSC offices, and were forced back by more than 100 police. One man was arrested. Several windows were smashed.

The new dispute erupted on Thursday when steelworkers refused to load lorries on a blacklist of companies which had crossed picket lines during the strike. Men at Port Talbot and the Alderley works at Rotherham who would not handle the lorries were disciplined, and others immediately walked out in their support.

Talks between management and union representatives at Port Talbot yesterday afternoon failed to resolve the dispute. Further disagreement arose at this meeting over a BSC warning that payment of a £50 lump sum on account payments, which formed part of the strike settlement, depended on an orderly return to work.

Talks between the two sides at the BSC divisional headquarters at Rotherham were still in progress last night. The action there has brought virtually all the corporation's plants in the Sheffield and Rotherham area to a standstill. According to varying BSC and union estimates, between 12,000 and 20,000 steelworkers in South Yorkshire have resumed strike action.

The fresh outbreak of industrial action demonstrates that many steelworkers remain in angry mood after settlement of the strike, and it does not auger well for implementation of the corporation's plant closure and redundancy programme.

There is disagreement between BSC officials and union leaders over whether blacking of companies which crossed the picket lines is contrary to the return-to-work agreement. According to BSC it is in breach of a "no victimisation" clause.

"The corporation regards the hacking of certain road haulier firms in the aftermath of the strike as contrary to the letter and spirit of the agreement reached between BSC and the unions," said Dr. David Grieves, managing director, personnel, "this appeals out quite clearly that there would be an orderly return to work and that there would be no victimisation of either party."

Union leaders, however, say that while they agreed that there would be no victimisation, they refused to accept a proposed "no blacking" clause.

Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, said that this was taken out at the insistence of union negotiators because they knew their members would not tolerate "cowboys" who had violated picket lines.

Mr. Sims accused the BSC of trying to antagonise the work force, and said that the management's attitudes did not appear to have changed as a result of the strike.

North Sea oil price may follow Nigerian rise

BY RAY DAFFER, ENERGY EDITOR

NORTH SEA oil prices are likely to be raised by a further 50 cents a barrel—an increase of around 1.5 per cent—in the next week or so.

The increase, which would be the third so far this year, would take the reference price of Forties Field crude oil to \$34.25 a barrel.

North Sea oil operators are considering higher prices in the light of Nigeria's decision earlier this week to raise its price by 1.5 per cent—up to 51 cents a barrel—to bring its prices into line with those charged by Libya.

Nigeria is also reported to be trying to charge a premium of between \$1.50 and \$2.50 for about 225,000 barrels a day. If this higher-price volume does not attract buyers it may be taken out of production as a conservation measure. It represents more than 10 per cent of Nigeria's output.

British and Norwegian oil producers have linked their prices firmly to those charged by the three main African exporters: Nigeria, Libya and Algeria.

Each country produces high quality light crude at some of the highest prices charged by the international oil industry.

In recent months, North Sea prices have been linked particularly with those charged by Nigeria, the most moderate of the African producers. It was pointed out by one major UK producer yesterday that the gap between North Sea and Nigerian prices had been widening.

In October, Forties crude was being sold for \$23.20 a barrel, 29 cents cheaper than Nigerian Bonny light oil. In January, the differential was 24 cents a barrel. Since the latest general round of increases in February, Forties oil has been sold at \$33.75, 45 cents a barrel below the corresponding Nigerian price before the latest increase. Nigerian Bonny light crude is now being sold for a basic price of \$34.71.

The British National Oil Corporation, which sells two-thirds of Britain's oil production and is the pricing leader, said yesterday that it was considering the position of North Sea prices. It seems unlikely that BNOC would be prevented by the Government from adjusting prices.

Mr. David Howell, Energy Secretary, has said that while the UK would not be a pricing leader, it would not sell its oil at a discount, which would be continued on Back Page.

Bank refuses BCCI top status

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE Bank of England has told Bank of Credit and Commerce International, the Luxembourg-based bank with Middle Eastern shareholders, which has 45 branches in the UK, that it does not merit the status of a recognised bank.

Instead the Bank of England has offered BCCI the status of "licensed deposit-taker", the lower of the two banking categories provided for under Britain's new banking legislation.

BCCI's name was on the pending list of banks seeking either recognition or a licence under the 1979 Banking Act, which was published on Thursday by the Bank. The list included the names of 200 leading British and foreign banks which have been accorded the "recognised" bank status, and some 40 institutions which have been designated "licensed deposit-takers". Around 360 institutions, including leading names like Bank of America, were listed as pending.

Discussions between BCCI and the Bank of England are understood to be still going on, and BCCI's management is thought to remain hopeful of a change of mind.

BCCI, whose president is Mr. Agha Hasan Abedi, is very concerned that failure to obtain top rank banking status in the UK might damage its operations elsewhere around the world.

If BCCI is officially designated as a licensed deposit-taker it will still be able to go on calling itself Bank of Credit and Commerce International in the UK, provided the words "licensed deposit-taker" appear in immediate conjunction and no less prominently than the name itself.

To qualify as a recognised bank, an institution must have: a high reputation and standing in the financial community, a wide range of banking services, minimum net assets, and net assets and other financial resources commensurate with the scale of operations.

The problem for BCCI is believed to lie in the subjective area of the Bank of England's judgment of BCCI's reputation and standing in the financial community. Here the Bank may have been influenced by the fact that BCCI came to the UK only in 1973, since when it has grown very rapidly and attracted a considerable amount of publicity.

If BCCI fails to get the Bank of England to change its mind, it has the right of appeal to a tribunal appointed by the Chancellor of the Exchequer. It could also consider taking its case to the EEC competition authorities in Brussels, thereby precipitating a repeat of the Sarabex affair. This involved an Arab money-lending and foreign exchange business, Sarabex, which claimed that Bank of England and City restrictive practices were preventing its participation in the City's currency market.

The matter was finally settled last year with a major overhaul of City regulatory procedures in this area. Sarabex was recognised as a participant in the market, but some of its senior management had to be changed to the Bank of England's satisfaction.

The Bank of England has refused to comment on BCCI's application.

S. African police station attacked

By Quentin Peel in Johannesburg

A HUGE manhunt was launched by the South African police yesterday through the black township complex of Soweto following a dramatic attack by African nationalist guerrillas on a police station in Johannesburg.

The attack was the largest mounted by black nationalist guerrillas since the wave of rioting in 1976 gave renewed impetus to the campaign of political violence against the South African Government. It was the fourth attack on a police station in the past year, and the first on a station in a white urban area.

Yesterday's attack, by between 10 and 15 gunmen, was carried out early in the morning, in the white residential and industrial suburb of Booyseens, little more than a mile from the centre of the city. The station was hit by rockets, a hand grenade and automatic fire, but no one was killed or wounded in the 10-minute gun battle.

The gunmen scattered leaflets as they fled, demanding the release of Mr. Nelson Mandela and Mr. Walter Sisulu, former leaders of the banned African National Congress.

During the attack they fired three rocket-propelled grenades at the police station, setting part of the building alight and leaving a gaping hole in the roof. Almost all the windows at the front of the building were shattered by more than 150 rounds of automatic fire from AK47 Soviet-made weapons. A hand grenade was thrown at the police barracks beside the station, where eight policemen were sleeping.

The attack underlines the vulnerability even of obvious security targets in white residential areas. The Booyseens police station, in a poor white suburb, was an obvious choice as the one closest to Soweto.

Mr. Louis le Grange, Minister of Police, has attempted to reassure South African whites by claiming police successes in the campaign against the banned nationalist movements in recent months. Several large caches of Soviet-made weapons have been discovered, and trials of suspected guerrillas are under way or shortly to begin. Insurgents have nevertheless penetrated the tight security with increasing frequency, culminating in the raid on a Pretoria bank in January, in which three gunmen and two hostages were killed.

Colombo joins Italian Government

BY RUPERT CORNWELL IN ROME

SIG. EMILIO COLOMBO, Italian former Prime Minister and until last July President of the European Parliament, returned to office yesterday in the key post of Foreign Minister in the Government formed by Sig. Francesco Cossiga, the Premier.

The Government, Sig. Cossiga's second, Italy's 39th since the war, was formed in the near-record time of 16 days since the resignation of the Prime Minister on March 19.

The return of the Socialist Party to Government for the first time since 1974 is cemented by inclusion of nine Socialist Ministers in the Cabinet, alongside 15 Christian Democrats and three Ministers from the smaller Republican Party, third member of the tripartite coalition.



Sig. Emilio Colombo

The new team was sworn in yesterday afternoon by President Sandro Pertini. After the Easter break it will face Parliament for a formal vote of confidence, assured of a comfortable majority with over 340 votes in the 630-seat lower Chamber.

The importance of foreign affairs, and in particular of Italy's present responsibilities as President of the EEC Council and host to an international economic summit in June in Venice, was underlined by the appointment of Sig. Colombo.

With a long experience of EEC affairs, first as Treasury Minister and then as Prime Minister between 1970 and 1972, and subsequently as the last President of the nominated Strasbourg Assembly, he is well-known and respected in other European capitals.

At the same time Sig. Cossiga has created a new post of Minister for European Affairs, to be held by Sig. Vincenzo Scotti, the outgoing Minister of Labour.

With the Prime Minister and Sig. Colombo he is likely to be active in the vital three week run-up period to the postponed Community summit, due to tackle the vexed issue of Britain's EEC budget contribution which is expected to be at the end of April.

A further important thread of continuity is the reappointment of Sig. Filippo Maria Pandolfi as Treasury Minister. As current president of the International Monetary Fund's Interim Committee he will have full powers when he chairs this month's important committee session in Hamburg on international monetary reform.

Among other main posts, Sig. Giovanni Marone remains as Agriculture Minister, while Sig. Virginio Rognoni keeps the Interior Ministry. The most important post given to a Socialist is the Defence portfolio, to Sig. Lelio Lagorio in his first Ministry.

£ in New York

	Apr. 5	Previous
spot	\$2.1325-1875	\$2.1470-1490
1 month	0.25-0.40p	0.15-0.30p
3 months	0.67-0.72p	0.60-0.65p
12 months	0.60-0.75p	0.70-0.85p

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UK NEWS

Half adult population has no bank account

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

HALF OF the UK's adult population does not have a bank account, leaving it well behind in the developed world, a report by the Bank for International Settlements says.

The report, using Bank of England figures, shows that 35 per cent of UK adults hold an account—current, savings or deposit—with a commercial bank only; that 10 per cent bank only with the National Savings Bank; and that 5 per cent have an account only with a building society.

The BIS figures are endorsed by the clearing bank-owned Inter Bank Research Organisation. IBRO figures for 1978 show that only 54 per cent of adults in England and Wales had current or cheque accounts with banks.

Banked

The banking habit is predominant among middle and professional classes in Britain. Less than one third of manual workers who account for about half the working population in England and Wales are banked.

Almost 80 per cent of these are paid weekly in cash. In 1969 almost 90 per cent of manual workers were paid in cash.

The BIS reported that the UK has more adult inhabitants per bank office than all other countries surveyed except Italy, where banks are subject to restrictions on branching.

The number of people per office were: UK 3,250, Belgium 1,064, France 1,604, Germany 1,385.

BANK ACCOUNT HOLDING—England & Wales 1978		
Occupation	No. in millions	Percentage banked
SELF EMPLOYED	1.5	91%
MANAGERS	1.5	94%
SUPERVISORY	2.0	92%
APPRENTICE/FAMILY WORKER	0.6	92%
OTHER MANUAL	9.3	71%
ALL OTHER	0.1	92%
TOTAL	22.3	84%

Holland 2,434, Canada 1,779, Japan 2,780, U.S. 2,388.

The BIS and IBRO figures throw new light on the UK retail banking market. This is unique among developed nations in the extent to which it is unbanked.

Some leading bankers say the situation has arisen because of a lack of interest shown in the working class by the banks, and vice versa.

But there are indications the clearing banks plan to attract large numbers of the unbanked during the next decade. Also Citibank and Bank of America, the world's largest banks, plan to enter the UK market soon.

The BIS reported that of UK personal deposits, by value, 50 per cent were with commercial banks (essentially the eight English and Scottish clearing banks); 3 per cent were with the National Savings Bank; 6 per cent were with the 18 Trustee Savings Banks; and the 41 per cent balance was with building societies, which do not provide banking services.

While a few relatively large banks dominate the UK retail banking market the same is not true of other countries. The U.S. has 14,500 commercial banks, more than 5,000 savings banks, and 22,500 credit unions.

France has nearly 400 commercial banks, 48 savings banks, and 3,000 co-operative banks. The French Post Office and National Savings Bank has between 14 and 17 per cent of personal deposits.

Germany has 250 commercial banks, more than 600 savings banks, and 4,600 credit co-operatives.

BIS figures show that the UK is far from becoming a cashless society. Only 6 per cent of all payments transactions are cashless, compared with 12 per cent in Germany.

Forms of cashless payments include the cheque (almost 70 per cent) and bank Giro (11 per cent), compared with 70 per cent in Germany.

Payment Systems in 11 Developed Countries. BIS, Basle.

Atkins preparing new proposals for Ulster assembly

BY ELINOR GOODMAN, LOBBY STAFF

GOVERNMENT PROPOSALS for a regional assembly for Northern Ireland, probably elected by proportional representation, will probably be published next month.

Ministers may, however, avoid making any firm recommendations at this stage on the key question of the composition and powers of the executive. Instead, they may merely refine the options outlined in the working paper published in November as a basis for the constitutional conference which finally ground to a halt ten days ago.

The proposals will then be sent to all interested parties—in the hope of building on what little common ground emerged from the conference on the need for devolved government in the province.

After consultation, the Government would probably bring forward final proposals in Parliament, but it is now increasingly unlikely that such legislation could get onto the Statute Book in this Parliamentary session.

The constitutional talks were finally adjourned after it became plain that the impasse over power-sharing rendered discussion of all other items irrelevant. Mr. Humphrey Atkins, the Northern Ireland Secretary, reported the progress of the talks last week to a cabinet sub-committee headed by Mr. William Whitelaw, the Home Secretary, himself a former Northern Ireland Secretary.

The committee told Mr. Atkins to prepare new proposals which could be put to the Cabinet sometime in May and then go out for consultation.

Though the Government is disappointed at the way the Rev. Ian Paisley, the only "loyalist" representative at the conference, undermined any hopes of a breakthrough by his refusal to accept the principle that the province's Roman Catholic minority should have a voice in any executive, ministers believe that some good did come out of the conference.

It showed that there was broad support for some form of devolved government—though of a different kind from that publicly favoured by the Official Ulster Unionists, who refused to attend the talks—and that there was agreement that merely revitalising the local government structure would not be enough.

Options

This means that a number of options included in the original consultative document have already been effectively ruled out. Several, for example, were variations on the local government theme.

But this still leaves some of the most fundamental questions unresolved.

Mrs. Margaret Thatcher is known to be determined to keep things moving in Northern Ireland and ministers might be prepared to push through a change, even if some of the parties involved publicly attacked it.

But they would feel able to do this only if they thought there was a reasonable chance that all sides would eventually acquiesce and participate in the new assembly.

Miniature railway boom continues

By David Holmes

THE PROBLEMS hitting the toy industry have left one sector relatively unscathed. The model railway industry, whose major event of the year, the Model Railway Club's annual exhibition at Central Hall, Westminster, begins on Monday, enjoys retail sales estimated at between £40m and £50m a year. And, with the silicon chip gradually expanding the potential of even the simplest train sets, considerable further growth is expected.

In the toy and games industry as a whole in recent years, over-production, a shrinking export market and falling demand have led to the disappearance of, or acute problems for, such household names as Meccano, Dinky Toys, Mamod Steam Engine, Matchbox Cars and Waddington's Games.

By contrast, the number of companies involved in model railways has grown to take advantage of an expanding market which owes much to adult enthusiasm for products which long ago ceased to be aimed solely at children. The 1970s saw new names such as Airfix, Lima and Palitoy enter the industry to challenge Hornby Trains, which had enjoyed a comfortable dominance.

Hornby, a highly successful part of the Dunelm-Comex-Marx group, which is now in receivership, is still the acknowledged market leader. But Mr. Paul Edy, marketing director, is aware of the stiffening competition. It will, he feels, probably work to the benefit of the industry. "We don't necessarily look upon competition as a bad thing. We don't mind so long as the total market, and our turnover, continues to grow."

Interested

Already since the crash of Dunelm-Comex-Marx earlier this year, several prospective buyers have expressed an interest in Hornby. The company is moving into the 1980s with a silicon chip-based train controller called Zero One. Selling at about £50 this mini-computer removes the complicated and time-consuming electrical wiring from model railways and enables the user to control several trains at once. In spite of the price, it is already proving successful.

Hornby's main British competitors, Airfix and Palitoy, are also using the silicon chip. Airfix is adding a multiple train controller, similar to Zero One, to its Great Model Railways range.

Whose products are especially aimed at the children's end of the market, has a completely different gadget. Its contribution to new technology is a simulated steam sound unit which puffs out smoke and emits steam-like sounds, varying with the engine speed.

The miniature railway boom shows no sign of abating. Model railways are largely free from the problems which affect the rest of the toy and games industry. Demand is less seasonal, and buyers tend to be adult hobbyists rather than children, apart from trains sets at the lower end of the market.

Union resistance to BL crumbles

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

RESISTANCE TO BL Cars' pay package continued to crumble yesterday, with thousands of workers voting to ignore a strike call.

Only Jaguar, Land-Rover and Range Rover production seems likely to be hit by militant action when workers return next Tuesday and Wednesday after the Easter break.

At Longbridge, Birmingham, the plant where the battle will be fought on proposed new working methods for the autumn launch of the Mini Metro, shop-stewards opposed a strike.

Instead, they will resist changes on the shop floor, knowing the Transport and General Workers' Union has pledged support for workers disciplined by the management.

The company, after five months' abortive negotiations with the union, is imposing a 5 per cent pay increase linked to fundamental changes in working practice. Employees who report for work will be deemed by BL Cars management to have accepted the deal.

The disarray of the unions in the face of the tough management line has caused widespread confusion among the 85,000 manual workers. Union leaders abandoned plans for an all-out strike. They left the decision of whether to resist to the shop floor at the 36 car plants.

In the absence of a clear lead some stewards called mass meetings. Others decided simply to ignore the strike call. Workers realise they are in a weak bargaining position, given BL's poor market per-

formance and the high stocks of Mini models. It is significant that plants taking action are the ones where vehicles are in demand.

The 2,000 TGWU workers making Land-Rovers and Range Rovers at Solihull, Birmingham, voted 2-1 in favour of an indefinite strike. Management has said work will be available for those who attend next Wednesday, and hopes the protest will prove confused and short-lived.

At the neighbouring Rover saloon plant, with the 5,000 production workers evenly split on whether to strike, stewards recommended normal working.

Production of the Jaguar at Coventry is likely to be halted by protests over the proposed new grading structure. At least 1,500 of the 4,000 workers at the Browns Lane assembly plant, and 400 of the 1,700 at the Radford engine factory, walked out last night.

The dispute has gone through the negotiating procedure separately from the national pay talks, and the unions are seeking official support for what is constitutional action.

Workers at Canley, Coventry, and Castle Bromwich, Birmingham, who are scheduled to be made redundant have shown no enthusiasm for action.

At Cowley, Oxford, three mass meetings of workers in the assembly plant voted to work normally. The 3,500 employees in the Cowley body factory will be called to a mass meeting before work on Tuesday. They are expected to ignore the strike.

Teachers oppose linking of wages and conditions

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE BIGGEST union of teachers plans to forswear any attempt by the Education Authority employers to make the overdue pay awards for 470,000 schoolteachers in England and Wales conditional on agreement about minimum working hours and similar conditions of service.

The executive of the 260,000-member National Union of Teachers decided in Blackpool yesterday to ask the union's conference to pass on Monday an emergency motion opposing any linking of service conditions to the coming Burnham Committee negotiations on pay. The motion is certain to be passed.

Burnham negotiations are to resume on April 18, two days after the Clegg Commission's report on the "comparability" award for the teachers, to be backdated to April 1, 1978, is expected to be published.

The Clegg report is believed to propose that the backdated award should be tied to a clearer definition of teachers' duties. The education authorities want the unions to commit themselves to signing an agreement on service commissions by June 30.

But the NUT executive, as opposed not only to added complexity which would further defer the pay settlement, but also to any negotiation on teachers' duties which did not take into account the union's demands for improvements in working conditions.

These demands include the equivalent of one day a week away from the classroom for preparing and marking work, and the establishment of a job description for teachers stipulating, among other things, maximum class sizes.

'Substantial' pay claims by water and gas workers

BY PAULINE CLARK, LABOUR STAFF

ABOUT 80,000 salaried staff in the water and gas services are lining up with substantial pay claims in the wake of 184-214 per cent pay rises awarded already to manual workers in the industries.

The National and Local Government Officers' Association, one of the unions representing both groups, has disclosed that 50,000 gas staff want a 25 per cent increase from March 1 this year.

Their claim will consist of a 17½ per cent salary increase plus five per cent "to improve real

living standards." They also want further reforms in their salary structure and only three increments in each grade. Their claim follows an award of £2,000 manual gas workers last month of 184 per cent to 191 per cent.

The 30,000 water industry staff are asking for a "substantial increase" and restoration of the four per cent incremental structure agreed in 1974.

They also want their July 1 settlement to include three days extra leave, a 55-hour week and a raised overtime limit.

Concordes lose £30.5m in three years

BY MICHAEL DIXON, AEROSPACE CORRESPONDENT

LOSSES on the five Concordes flown by British Airways amounted to £30.5m between January 1976, when the aircraft went into service, and March 1979, Mr. Norman Tebbit, Parliamentary Under-Secretary for Trade, has said in a Commons written answer.

The results for Concorde operations during the past financial year are not yet available, but in view of the soaring cost of fuel in that period, the aircraft are thought unlikely to have made any profits in 1979-80, despite full loads on some routes, such as that between London and New York.

The losses have been incurred despite the fact that the Government last year wrote off the £160m cost to

British Airways of buying the five Concordes.

This followed a review by the Government of the aircraft's performance, which concluded that operation surpluses from Concordes would be insufficient for the foreseeable future to cover amortisation of the aircraft and its spares, or to pay an appropriate dividend on the airline's public dividend capital.

As a result of writing off the debt, it was agreed that any surpluses earned by Concordes' operations would be divided, 80 per cent for the Government and 20 per cent for British Airways.

But last year's annual report by British Airways stated bluntly that "the operating results of Concordes in 1978-79 do not provide a surplus to be shared."

£13m film debt may be written off

THE National Film Finance Corporation will have £13m of debts due to the Trade Department written off and its life prolonged for another five years under a proposed new Government Bill.

In addition, the new Films Bill will provide for the corporation to receive a "once and for all" grant of £1m. Current film legislation ends this year. Revenue for the corporation, which is also to take over the functions of the National Film Development Fund by assisting the cost of pre-production work on British films, will be raised by taking 20 per cent of the box office for the next five years. The levy is raised from cinema box office receipts of film exhibitors.

Fowler to seek China rail pact

TALKS ON co-operation between British Rail and the Chinese railways will be held in Peking and Canton next week during a visit to China by Mr. Norman Fowler, the Transport Minister.

He will be the guest of Mr. Guo Weibang, the Minister of Railways, with whom he signed a scientific and technical co-operation arrangement in London last November.

Aircraft contract

BRITISH MIDLAND Airways has been awarded a £51m contract by Delta, the state airline of Mozambique, to provide aircraft and crews.

One BMA Boeing 707 has already been operating scheduled flights on behalf of Delta from Maputo for a year. Now, a second will join it from April 17, to operate flights between Mozambique and European destinations, including Lisbon.

BMA says it is negotiating with Delta for further work including a training programme.

VAT appeal urged

THE GOVERNMENT has been urged to allow small traders to appeal to a Value Added Tax tribunal over Customs and Excise decisions.

The National Chamber of Trade said it was dismayed at a recent House of Lords ruling preventing this.

Pub swap monitoring

RESPONSIBILITY for monitoring arrangements among the six major breweries to swap 1,000 public houses has been transferred from the Department of Trade to the Director-General of Fair Trading.

Company list to end

THE GOVERNMENT is to drop the central register of business names. Proposals will be published next week for changing the procedure for registering company names in a move to reduce the work of the Department of Trade.

VAT on racehorses

THE TREASURY has eased the VAT burden on owners who bring race horses to Britain for training rather than to France or Ireland, where VAT exemptions apply. Overseas owners will now be able to import horses for two seasons without incurring VAT, if they are then re-exported.

Education Act eases path to public schools

THE GOVERNMENT'S Education Bill is on the statute book after a long and stormy passage through the Commons and Lords, writes John Hunt.

The Act includes the controversial assisted places scheme, which gives financial help to pupils from the State system who win scholarships to public schools.

It also allows local authorities to decide their scale of charges for school meals. But the pro-

posal to charge for school transport was cut out of the legislation as a result of a rebellion supported by Tory peers in the Lords.

The Competition Bill also received the royal assent. It abolishes the Price Commission and gives the Director-General of Fair Trading new powers to investigate practices which may restrict competition and refer them to the Monopolies and Mergers Commission.

VILLAGERS RISE UP IN A TERRIBLY POLITE REVOLT

Belvoir damns the Coal Board 101 times

BY MARTIN DICKSON

IF THE Gods were to band out bouquets for theatrical denunciations of nationalised industries, then the village of Hose, in Leicestershire's Vale of Belvoir, would be the sweetest smelling community in England this weekend.

Hearty "Hear, hears!" resounded through Hose's packed village hall on Tuesday night as 500 people endorsed a series of savage attacks on nationalised industries for ravaging the environment and squandering the taxpayer's money.

But the fiercest abuse was reserved for the National Coal Board, which was damned in 101 different ways and likened to a prehistoric monster—having a very small head and a very large body.

The cause of this commotion? Hose, some seven miles north of Melton Mowbray, is the proposed site for one of three mines the Coal Board wants to sink in north-east Leicestershire.

On Tuesday night, Mr. Michael Mann, the softly-spoken but incisive inspector heading the public inquiry into the board's plans, listened forth from his headquarters near Grantham to bear first hand the views of the Vale's inhabitants. It brought a refreshingly human touch to the Belvoir inquiry, now in its fifth month, which has been more used to dry legal argument over the validity of energy growth statistics.

The speakers, sporting "Save the Vale" badges, represented a broad cross-section of local society and aired their views with both passion and civility. Everyone was terribly polite. Mr. Mann thanked everyone for coming. They thanked him for the opportunity to speak. He thanked them for having spoken.

It was all very English, and so were the topics of debate—references flew thick and fast to beagling, village fetes, women's institutes, bowling and Stilton cheese; lists of exotic East Midlands place names tripped off tongues like recitations of the Domesday Book; speaker after speaker invoked the spirit of Blake's Jerusalem; and, perhaps most English of all, a feeding of class antagonism bung over the entire proceedings.

Hose (population 500, pubs two), lies at the heart of the Vale, beneath an attractive tree-lined escarpment. It is a dairy farming area, a prime producer of Stilton cheese, and the smell of cattle sludge hangs heavy on the evening air.

But though the setting may be bucolic, Hose is architecturally undistinguished. It consists of a jumble of predominantly modern styles (including postwar prefabs), and a cluster of light industrial factories has just a few miles up the road.

Nevertheless, local people are

seriously opposed to further inroads by dark satanic mills (or mines) and the issues raised before Mr. Mann gave a good indication of their fears.

Farmers, concerned over loss of land and subsidies, were prominent among the speakers. Mining was the last straw for Mrs. Norris, 40, of whose acres were to be taken by the Coal Board. First the Electricity Board had told her "thou shalt have pylons on your land"; then British Gas had said "Thou shalt have North Sea pipelines on your land"; now the Coal Board was saying: "We will have your land." She felt the coal should be left in the ground to mature, like a good Stilton.

Another farmer, Mr. Wallwin, drew knowing "Hear, hears" from the audience when he insisted it was impossible to farm on badly drained land. Already, borehole drains inserted in his land by the Coal Board were not working. "If anyone wants to come and look at it, bring your wellingtons," he advised.

Mr. Smith was concerned about the effects of subsidence on Hose bowling green. The essence of a bowling green, he observed drily, was that it was flat.

Noise was the particular concern of Mrs. Dorothy Sowter,

a veteran of the campaign against mining, with more than 200 published letters to prove it. Noise, she said, carried a long way across the Vale.

Why, on one occasion she had clearly heard from her house, at the other end of the village, the "winning numbers of the raffle tickets at a function organised at this hall."

Mr. Bolesworth delivered an impassioned plea on behalf of the Oakley Foot Beagles. The Vale, he said, was the finest beagling country in the entire world but would not be once mining started. He was also concerned about the polluting effects on the lower atmosphere of burning fossil fuels.

But the Valepeople seemed to fear the miners—or "aliens" as they were repeatedly called—almost as much as their mines. No less a person than the Rev. Mr. Hanlon, the vicar of Croxton Rectory, declared that the arrival of the miners would spell "divided community. And that will mean the death of the community as we know it."

It was left to a 19-year-old whose family farmed close to Nottinghamshire's Cotgrave colliery, to give full expression to people's fears—and he did so in language which might have contravened race relations legislation had it been used to describe men whose faces were permanently black.

Mining estates, he declared, had a slum-like appearance. And

their inhabitants, who kept whippets and greyhounds, were ill-mannered and ill-disciplined. Why, even the members of Cotgrave parish council had been ousted after they arrived.

It was a rather sad counterpoint to a similar public meeting held by Mr. Mann in January at the Miners' Welfare Hall in Coalville, in the western Leicestershire coalfields, which are nearing the end of their life. Many miners from the west hope to find new employment at Belvoir.

At the Coalville meeting, speaker after speaker anxiously insisted that miners were ordinary human beings who were as capable of appreciating beauty as the next man.

"Who can be better qualified to appreciate the environment than the miner?" asked Mr. Graham Hill. "One of our greatest pleasures is the moment when the eage reaches daylight and to look and see the natural beauty from which we have been deprived throughout the shift."

Mr. Robert McSparran complained that the people in the Vale were poisoning the new community before it had even started, with their aspersions about miners. He added, with eloquent cynicism, that if the people of the Vale had owned the mineral rights beneath their land, then "slag heaps would sprout like pimples on a 16-year-old."

THE WEEK IN THE MARKETS

Verdict of the market place

THE CITY'S considered verdict on the Budget has been made plain in some subtle shifts in the money market over the past week. Short-term interest rates have edged higher, and the shape of the yield curve on maturities stretching out up to about a year suggests that there is little hope of a marked fall in rates for some time to come.

Three-month inter-bank rate is only a point or so higher than the rate on one-year money. The gap was twice as wide earlier in the year, when many people thought that a decisive downturn in rates was imminent. The climate is quite different now, and not just on the home front. This week, prime lending rates on the U.S. moved up to an unprecedented 20 per cent, a full five points above their level of January 1.

At the same time, the Government's evident determination to bring down inflation over the medium term has produced a favourable response at the long end of the gilt-edged market. The price of the long tap picked up on Monday, and the following morning the outstanding few hundred million nominal of this £50 billion stock was swallowed up in a rush. Prices wobbled a bit on Thursday, but in the event no replacement for the long tap stock appeared.

But the yield of over 14 per cent on high coupon loans is still only a shade below where it was when the Chancellor sat down. And equities have scarcely moved at all in the intervening period.

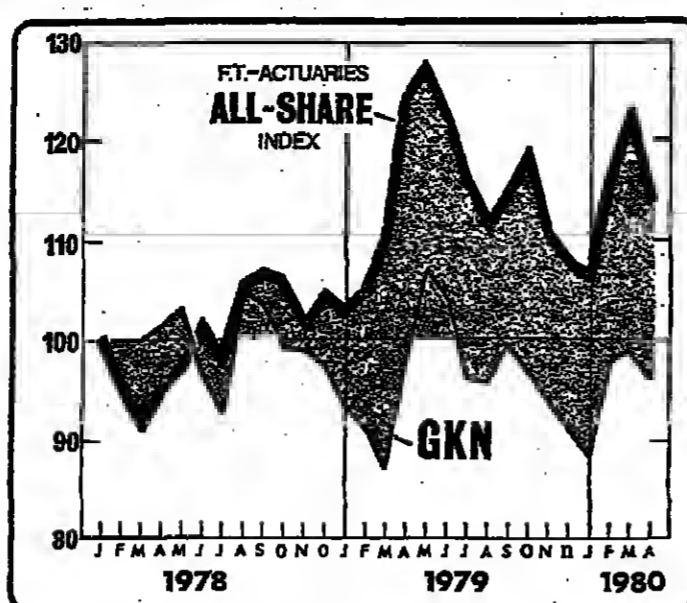
Taken as a whole, there has

been some rather encouraging company news this week from the likes of GKN, BICC, Rockware and Hoover. But the announcement of Stone-Platt's little local difficulty on Thursday was an unwelcome reminder of the financial pressures currently facing some companies.

Left hand drive

GUEST KEEN and Nettieolds is still totting up the cost of the steel strike but investors have already been warned that UK profits so far this year have been "severely affected." The engineering strike last summer also had a harsh impact and cut profits back by some £15m but Britain's largest engineering group was still capable of pulling off a pleasant surprise during the week by unveiling profits of £101.4m against £87.3m. Analysts had been pencilling in around £95m.

In spite of labour relations headaches, UK trading profits advanced by £2m to £85m and contributed slightly better than half the total. Yet it would be surprising if GKN is able to maintain this weighting in the current year, in view of the steel dispute and a generally sluggish industrial outlook. Profits in continental Europe grew by a third last year and although the aggregate contribution from other parts of the world is still small, the U.S. car market is set to become an important source of profits as the constant velocity joint plant in North Carolina comes on stream this summer.



The second, larger, facility is due to open next year by which time it seems likely that the relative strength of demand for small front wheel drive cars against "gas-guzzlers" will be more pronounced.

Tales of Hoffnug

The £15.9m cash offer worth 80p per share by the Australian conglomerate, Burns Philp, for S. Hoffnug closes next Friday and the issue is still anxiously balanced.

Each side has had plenty of time to attack and counter attack. Hoffnug's first and most difficult lead was an admission that profits for the year which ended last month had fallen from £1.84m to £750,000 com-

pared with a not-too-distant peak of £4.55m. But the shortfall takes in the £240,000 closure costs incurred in the wholesaling division, which has been charged against the pre-tax figure.

LONDON

ONLOOKER

The core of the remaining business is the retail hardware and builders' supplies division, the largest in New South Wales. Much of the rest of the group—plastic mouldings, import agencies and toys is also based in Australia and a large part either complements or supplements Philip's own activities. One of the few UK businesses of any substance, G & M Power Plant, was bought to offset unrelieved Advance Corporation Tax and has proved unfortunately cyclical.

Electrical generating equipment for marine customers is in a decided downturn and G & M lost £240,000 in the year to March 31 before allowing for an estimated £250,000 provision against slow moving inventories. Taking the recent conversion rate of £2.03 to the pound, a revaluation shows that Hoffnug is backed by tangible assets of 125p per share. On the face of it, Philip has pitched some way short of certain success.

But the Australians have thrown a few punches of their own. Hoffnug's tax rate has only been estimated, and, with a provision to be included for G & M's stocks, the defence may have to pay the forecast dividend of 4.5p net per share out of reserves.

The revaluation is based on existing use, whereas the sale of unwanted wholesaling assets may prove difficult and protracted. The change of use implicit in such disposals could constitute an event of default under the trust deeds of Hoffnug's 12 per cent convertible loan stock.

But possible trustee action, like the level of dividend cover, is merely a sideshow. The point for interested Hoffnug shareholders is whether, and how quickly, the group can return to the 1977 peak level of profits. The exit multiple on fully diluted earnings for that year would have been just 6.2. The defence argument that the 80p offer price is clearly inadequate would stand up if Hoffnug can recover quickly.

The wholesaling outback is an important step in the right direction. The recent appointment of senior Australian management is another. But G & M's problems may not be over, in spite of a recent improvement in order intake.

Hoffnug shares have been a little above the offer price recently but a few lines have been coming Philip's way at the offer price and the bidder now holds about 7 per cent of the equity.

The outcome may be close but the premium and currency hedge incentives to buy Hoffnug, which attracted so many UK investors a few years ago, have disappeared. The bid may be extended again until April 29 and, perhaps crucially, Philip has not said that this is the highest offer.

Trade winds

Ocean Transport and Trading dispelled the gloom which had settled at the interim stage, when it announced preliminary figures on Monday showing almost doubled profits. The £19.7m pre-tax for 1979 was struck after £2.5m vessel depreciation.

In 1978, without such a provision, the group made £10.1m. Thanks to a second-half strengthening, the gross dividend was maintained at 12.7p for the year. Shareholders were chastened at the halfway stage by board fears for a cut dividend, though profits then were never £4m ahead thanks largely to favourable ship disposals.

Reassurance came from strong second half trends, particularly in the open freight market, where product carriers operated profitably. As a result, the group has been able to fix vessels forward into and beyond 1980. Nigerian trade, brought to a standstill at the 1978 year end, recovered to 75 per cent of its former strength over the year.

Other bright spots for Ocean were a beneficial renegotiation of a 20-year charter party with Pacindonesia, a turn-round into profit for loss-makers in the Cory division, the reduction to negligible levels of exposure in the large tanker market, and a substantial book profit on the sale of bulk carrier "Hector".

Ocean remains heavily geared, with £202m of net debt representing three-quarters of shareholders' funds, and incurring £16.7m interest charges in 1979. But borrowings should begin to fall within the next two or three years. For the current year, profits should top £20m before ship disposals. The good news lifted Ocean shares by 5p over the week, to close at 110p.

After the Hunt affair... an important message for the market

BY CONTRAST with the recent tumult, Wall Street had a chance to get some of its breath back this week. But the Easter weekend holiday is unlikely to bring much cheer.

The prospects for the economy are sinking fast, and every day brings news of more companies in financial difficulty. The week opened with the Hunt affair still jangling in people's ears. Although the crisis turned out to be very short-lived (at most 24 hours, probably a lot less), it made a deep impression on investors' minds, and probably clarified a lot of ideas that had only been dimly perceived until then.

The crash in silver prices drove home the message that the commodity markets have gone into quite a sharp decline.

NEW YORK

DAVID LASCELLES

since the extraordinary boom in the first quarter of this year. Virtually all non-agricultural commodities are now well below their earlier peaks, and certainly all the speculative steam that once powered them has evaporated.

This drop reflects the record high interest rates that the U.S. now has to put up with. But it also has to do with the fact that countless investors got scared and hurt when prices tumbled, and have retired to lick their wounds.

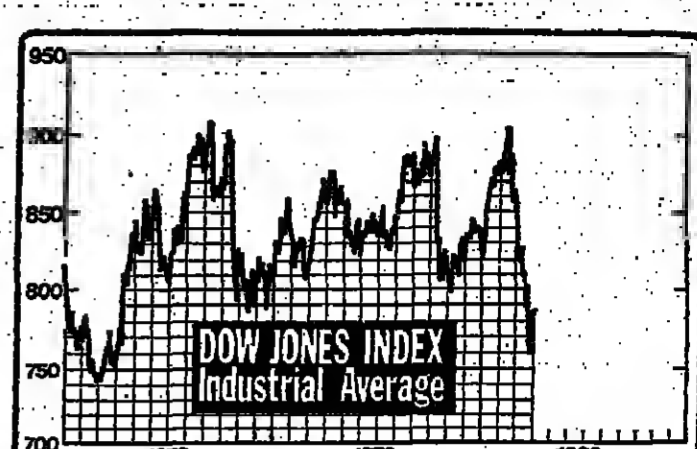
As a result, many commodity prices now reflect fundamental market conditions. And if, as seems likely, the U.S. goes into recession before long, these prices could easily weaken further.

For the stock market, this carried an important message. Commodities are not necessarily the hedge against inflation they were trumpeted to be only a month or two ago. So natural resource companies (broadly defined to include everything from oil right through to metals) will not necessarily be the steady gains in earnings that investors were looking for.

This is bad news. Natural resource stocks have led the market for many months now. In fact, without them, Wall Street would have been depressed to find much excitement in the market at all.

However, now that their standing has been undermined, the market is virtually without leadership. Even the oil stocks, which enjoy a special position among the natural resource sector, have lost their glamour because of the sharp drop in oil consumption in the world, particularly the U.S.

The new listlessness of the market was illustrated by two things this week. One was comparatively low turnover.



On no day did volume on the New York Stock Exchange exceed 35m shares, well below the 40m plus considered to be a sign of a healthy market.

Admittedly, this had something to do with the looming Easter holiday and the crippling New York transit strike. Even so, it suggested that there was not much happening.

The other sign that the market was casting around—almost desperately—for something to do was the sudden renewed interest in takeover situations.

With the sharp decline on takeovers in the U.S. since the middle of last year, there have been very few interesting speculative buys in the market. So Wall Street has tended to turn to them as something of a last resort.

In fact, the only interesting one just now is Imperial Group of the UK's \$630m bid for Howard Johnson, the U.S. motel chain. After news from London that Imps thought there were still questions to be asked about the bid, Hojo shares had to be suspended for nearly three days as brokers and investors pressed for clarification.

But none came, and Hojo finally responded on Monday, when it plunged nearly \$10 from the \$24 at which it had been trading before the halt. (The Imps bid is worth \$28.)

That day, Imps was the most active in the NYSE. In fact, it has pulled up a bit since then, closing this week at \$18. But Wall Street has been somewhat angered by the tightness of Imps' lips, which runs counter to the openness that is expected "indeed often required" in the U.S. (As of this weekend, most brokers do not know what to make of the prospects, though the upward trend in the share price suggests that there is optimism that some kind of deal (whether by Imps or someone else) will be struck.)

Wall Street's other concern arising from the Hunt affair is the question it has raised over broker-client relations, particularly when these concern more than just plain brokerage transactions.

Bache group, the broker the Hunts used for the bulk of their dealing, came under heavy pressure at the height of the crisis.

and had its shares suspended by the Securities Exchange Commission until Wednesday because of a possible threat to its capital position.

In fact, it pulled through alright, claiming that its capital remained "unimpaired." However, Mr. Harold Williams, chairman of the SEC, told a special Congressional hearing into the silver market, that he was concerned about the fact that the Hunts had a substantial shareholding in Bache (put by the company at 6.5 per cent, acquired last year when Bache was seeking new capital).

Although there is no suggestion of wrongdoing, this has fired the debate about whether a broker might be tempted to offer preferential treatment to large stockholders which overrides the dictates of normal business prudence. This is evidently the issue which the SEC will scrutinize during the investigation it has launched into the Hunt-Bache-Silver affair.

The affair is also likely to lead to greater regulation of brokerage houses by the various Washington agencies responsible, particularly since it has thrown up the fact that brokerage houses impose different margin requirements on their customers, and even use margin-cutting to attract new business.

Meanwhile, though, the market is preparing itself for testing times. With the prime rate now at a record 20 per cent (a level which would have seemed inconceivable this time last year) the cost of holding inventory is enormous. And there is concern that the market could be on the brink of another sharp plunge.

Unless there is some good improvement in the fundamentals: an increase in the oil price, a new commodity surge, or more optimism on the economic front, the only force sustaining the market will be bargain-buying. And that is not the greatest sustaining force in the world.

Monday	785.75	8.10
Tuesday	784.47	-1.28
Wednesday	787.80	+3.33
Thursday	784.13	-3.67
Friday		markets closed

MARKET HIGHLIGHTS OF THE WEEK

F.T. Ind. Ord. Index	Price Thursday	Change on Week	1980 High	1980 Low	Tech. rally in thin trade
Treas. 14% 7% (£50 pd.)	432.6	+11.1	478.3	404.9	"Tap" exhausted
Ashton Mining	137	+22	140	100	Ashton report due this month
Bargat	21	+10	21	11	Partial bid of 12p per share
Biddle	92	+12	92	78	Better-than-expected results
Boots	184	+9	194	158	Broker's recommendation
BP	370	+24	412	328	Steady buying
Brown & Jackson	195	+57	225	138	Annual results next Thursday
Burnham Oil	212	+22	249	162	Speculative buying
Cent. Pacific Minerals	222	+4	226	215	Aust. broker's bullish circular
Grattan Warehouses	76	+12	110	62	Recovery bid hopes
GKN	266	+13	277	237	Better-than-expected results
Hambros Bank	333	+23	355	278	NEB to discuss Fairley bid
Harris Queensway	195	+13	195	136	Good annual results
Hoover A	155	+15	155	120	Chairman's confident statement
RTZ	365	+23	485	327	Results due in two weeks
Stebons (U.K.)	670	+115	930	404	Marathon final on block 16/3A
Silcolene	137	+19	145	118	Excellent annual results
Schn. Pacific Pet.	825	+213	1101	575	Aust. broker's bullish circular
Tanks	234	+19	316	216	Ashton report due this month

The euphoria ebbs away

CAUTION has replaced the bright hopes of a couple of months ago. In the first few weeks of the year, as mining companies announced 1979 figures, much better than many had dared hope 12

MINING

PAUL CHEERSRIGHT

months before, everything looked so rosy—metal prices rising, demand holding up, expansion in the air.

It was a euphoric time, the atmosphere made sweeter by comparisons with the lean years of 1974 and 1978. But a few weeks of tight money and sagging markets have taken the edge off that New Year confidence.

Company chairmen are qualifying their views of the short-term prospects—nobody doubts the longer-term prosperity of the industry—and re-appraising the significance of last year's results. The nagging fears about inflation and recession have come through clearly in annual reports from major North American groups.

As Mr. George Munroe, the chairman of Phelps Dodge, one of the major U.S. copper producers, reminded his shareholders, the fortunes of the industry have historically been cyclical. "Our industry finally moved out of the lower sector of its business cycle in 1979," he said.

The problem is that Mr. Munroe does not know—and neither, it appears, does anybody else—how far on the upward trend of the cycle the industry has gone, or whether, indeed, the industry might be stuck for a few months just off the bottom of the cycle. Much clearly depends on President Carter's handling of the U.S. economy.

The Administration has revised its inflation forecasts upwards and is now predicting an increase of 12.3 per cent in the Consumer Price Index for the last quarter of 1979 to the last quarter of 1980. The recession, it is suggesting, will be later and milder than earlier forecast and could possibly arrive in the last quarter of this year.

TIN OUTPUTS COMPARED

	Feb. 1980	Jan. 1980	Total 1980 (months)	Same period previous year
Amal. of Nigeria (tin)	160	168	1,583 (11)	1,603
Amal. of Nigeria (columbite)	31	26	204 (11)	281
Ankash	136	154	1,239 (8)	991
Atlatlan	132	138	1,207 (8)	1,355
Berjuntai	331	383	3,261 (10)	3,475
Bisichi Jantar (tin)	1	1	291 (12)	345
Bisichi Jantar (columbite)	1	1	354 (12)	329
CBM Sri Timah	73	103	176 (2)	136
Ex Lands Nigeria	1	1	102 (4)	195
Ceevor	37	32	979 (11)	947
Gold and Base (tin)	152	151	51 (2)	50
Gopeng	153	151	523 (5)	984
Idris	133	134	374 (2)	411
Kamunting	13	15	417 (11)	417
Killinghall	1	35	133 (4)	149
Kinta Kellas	37	33	407 (11)	426
Kuala Kampar	29	22	254 (11)	223
Lower Perak	23	28	231 (10)	248
Malayan	162	122	228 (8)	845
Palang	121	161	76 (5)	39
Pengkalen	99	151	589 (4)	493
Petaling	67	55	558 (8)	563
Rahman	33	22	167 (11)	274
St. Piran—Far East	193	178	1,527 (11)	2,045
St. Piran—UK (South Croft)	72	90	929 (11)	1,057
St. Piran—Thailand	79	97	1,441 (11)	1,556
Southern Kinta	186	189	1,426 (8)	1,625
Southern Malayan	163	182	1,343 (11)	2,123
Sungai Besi	74	104	174 (2)	271
Tanjong	32	37	297 (8)	469
Tongkah Harbour	132	136	268 (5)	332
Tronoh	132	136	268 (5)	332

* Figures include low-grade material. Not yet available. Outputs are shown in metric tonnes of tin concentrates.

Restrained economic activity in the U.S. and in other industrialised countries gives substance to the prediction by Mr. Alfred Powis, the chairman of Narnanda Mines, the major Canadian group, that most metal prices "are going to be generally lower this year."

Zinc producers are already concerned about the discouraging outlook in the car industry, as Mr. Ronnie Fraser, the chairman of Hudson Bay Mining and Smelting, made clear in his annual statement. But copper poses different problems.

In the short term the potential effects of a downturn in the U.S. economy on copper prices are offset by the possibility of a strike in the U.S. copper industry at mid-year, and accordingly the outlook remains somewhat uncertain," Mr. Fraser said. The strike concern is related to the expiry of labour contracts in the industry.

There is at least the possibility that mining companies this year are going to be caught in the squeeze between rising costs and static prices, although perhaps not so painfully as in 1978-79.

As it is, "higher prices are needed to justify new capacity," Mr. Fraser pointed out. "Most of the known copper deposits now awaiting development cannot be brought on stream profitably at current prices," said Mr. Munroe.

Last year the average U.S. copper price rose 40 per cent to 93.3 cents a lb. roughly where it is now. But copper prices were still relatively low, Mr.

Stone-Platt feels the squeeze

THE BACKGROUND to this week's upset at Stone-Platt Industries is simple. The year 1979 was the worst in the group's history: there were big trading losses, together with heavy provisions against goodwill and closure costs.

Altogether this knocked £17m out of shareholders' funds. That in turn meant the group was in breach of the capital requirements of one of its medium-term loan agreements. As a result of cross default clauses, a number of other loans became technically repayable on demand.

Remarkably, Stone-Platt was not aware of this problem when it released its preliminary profit figures and balance-sheet just over a fortnight ago. It was only eight days ago, after informal talks with its bankers, that the group realised it could be in trouble, and its City adviser—Hill Samuel—started hurried talks with the banks concerned last Saturday morning.

Things had to move quickly, not only because of the fear that the lenders might break ranks but also because the group's preliminary statement had, albeit unwittingly, been proved wrong. It said that only £3.7m of the £36.2m long- and medium-term borrowings were repayable within five years, and that overdrafts and short-term loans amounted to just £3.7m.

The result of the renegotiation, announced on Thursday, is that the debt profile now looks very different. Overall borrowings are unchanged at £39.9m. But £30.1m of this total now matures on January 4, 1982, and there is a further £3m of short-term debt overseas.

The overall cost of the loans has not been increased by these changes, and they remain unsecured. But it is clear that the banks have not given anything away to a group, which still faces decidedly uncertain trading conditions. They have put Stone-Platt under a great deal of pressure to get its house in order within the next two years.

In absolute terms the gearing ratio is by no means desperate

with overall debt representing 74 per cent of shareholders' funds. But there is no sign of big savings in cash flow, and the stock market value of the whole company has fallen to only £11m.

So in order to reduce its very high level of short-term borrowings, Stone-Platt has little choice but to look for assets to sell, and for working capital to eliminate.

Some of the group's problems appear to have been of its own making. The swing into losses last year was largely the result of external strikes, a slump in textile machinery exports, and the impact on profit margins of high interest rates and sterling.

But a rapid series of management changes on the textile machinery side seems to speak for itself. The chairman of this division left last year "for personal reasons." In addition, the Lancashire business now has new managing and marketing directors, and is planning to appoint a new finance director.

Moreover, the long delay in noticing the technical default occurred during a period when the group itself did not have a full-time finance director. On Wednesday it announced that Mr. Derrick Willingham was re-assuming the role of group finance director with immediate effect. Three years ago he left this slot to take over the running of the group's pumps division.

Stone-Platt now faces a hard slog to restore its financial position. It still has a fair margin of unused bank facilities, but its agreed level of borrowing is subject to reduction in the event of disposals, and it seems unlikely that the group would be

in a position to pay a dividend with the balance sheet in its present shape. Meanwhile it is suffering from the very high level of interest rates.

Yet the news is not all bleak. The textiles machinery business is doing well overseas, particularly the important U.S. subsidiary which is riding on the back of strong domestic demand. The Lancashire factories have been on a three-day week for much of this year, but according to Mr. Willingham there are positive indications of an improvement in the workload later in 1980.

And workers at the big plant in Oldham, Greater Manchester, which employs over 800 people have now agreed to end their sit-in and return to work next week. So it should be possible to run the operation down in an orderly fashion, and all the signs are that further provisions for the costs of the closure will not be necessary.

With that out of the way, the hope is that production capacity for textile machinery will have been brought more or less back into line with what seems to have been a significant fall in long term demand.

This has stemmed from technological change—the introduction of high-speed equipment—and from the inroads made by Far Eastern manufacturers into the markets for less sophisticated machinery.

For all its present difficulties—which are vividly reflected in the way that the shares stand at a ten-year low—Stone-Platt remains a significant force in the world market for textile machinery, with annual sales of over £100m. In addition, it has profitable electrical and pump activities with combined sales of £55m, and a marine and mechanical business with sales of £41m; the marine side is currently "being reappraised."

"The situation is controllable," says Mr. Willingham. "We know what we want to do, and are confident that we can get it right."

Richard Lambert

UNIT TRUST AND INSURANCE OFFERS

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YOUR SAVINGS AND INVESTMENTS

Unreasonable refusal

My parents own a holiday home on a lease which has some 50 years to run. The lease contains the usual clause that permission to transfer it must be given by the owner but that such permission shall not be unreasonably withheld.

The owner has not only refused permission to transfer to a prospective buyer, but has indicated that he will oppose any other transfer. Could anything be done without the long-drawn process of going to the Court?

The only course here is to select a purchaser who is unimpeachable, and then to effect the sale to him immediately the refusal is made. This however postulates that the purchaser will take the risk (albeit slight) that the refusal might be held to have been reasonable. It is well established that if the refusal is unreasonable the tenant may assign without an order of the court or any other formality.

Wearing a coin as a pendant

My wife has been given an enamelled coin in the form of a pendant, but has been told that such treatment of a coin is illegal. Is this so?

As the enamelling will not have been affected with intent to pass the coin as a current coin, and assuming that the coin has not been clipped, there is no offence.

Correct figure for insurance

My building society wishes me to insure my house for a sum which, in my opinion, is much more than the sum it would cost to rebuild it. If it became a total loss. After some correspondence, the society has now written to say they will agree that the house be insured for my figure for the rebuilding cost, but ask me to confirm that I accept the position that if the full amount covered is less than that assessed by an insurance company, any claim made could be the subject of a reduction. Do you think I ought to give them a written confirmation to this effect?

If you are confident that your valuation does not exceed the current cost of rebuilding plus appropriate architect's fees and demolition/clearance costs, that is the correct figure for insurance. There would therefore be

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No harm in giving the Building Society the assurance it seeks: that is merely to prevent your seeking to lay the blame at their door if your valuation proves to be too low and if there is a loss which fails to be recovered under the insurance.

Creating a tenancy

I refer to your reply under Creating a Tenancy (January 28). In August 1987, my husband and I took a lease on the flat in which we live. For tax reasons it was made out under the name of my business, Y Ltd, but it was stated to be for the residence of Mr. and

Mrs. X. There is no question that we do not live here, and do not run a business from here. Nevertheless last November I got a month's notice to quit, shortly afterwards changed to a year's notice. It seems to me I have fully established my tenancy as a resident. What, please, is your view?

Unfortunately your letter does not give sufficient information as to the precise terms of the lease. However it seems that the lease has been taken in the name of a limited company. If so you may have some difficulty in establishing a right to security of tenure; but it is possible for this to be done, by way of estoppel, if it can be shown that the landlords were made aware of the true nature of your residential occupancy. However you should at once consult your solicitors, as there are some complex issues of law involved, and you may need to take certain steps within specified time limits.

CTT error to be rectified

In the executorship of my mother's estate in which I am a residual legatee, the trustees have apportioned Building Society interest notionally due to date of death and included this sum in the capital statement upon which capital transfer tax has been paid. In the total net building society interest received, had the estate been liable to capital transfer tax in a higher band or my tax liability been in a higher band, more total tax

would be paid than money received. Could you please advise as to the legal position?

We think that there is a strong case for saying that the income apportioned up to the date of death should not be included as interest received. Alternatively the apportionment in the capital statement is wrong. Without knowing the terms of the will we cannot say which is the error, but you can properly ask for one or the other to be rectified.

Overseas job and house in UK

I may be assigned to an overseas job for at least a year, but keeping my house here. The house will be unoccupied as I will use it during frequent short business trips home. Could you please advise:

- (1) Likely reaction from the insurers of house and contents.
- (2) I will have to send money home to pay for the mortgage, life insurance and some other outgoings. Home income will be minimal. How is the money remitted from overseas treated for tax purposes? Should I try to maximise UK investments producing taxable income, ie, gilts rather than savings certificates? (3) Is there any way that I can still obtain tax relief on the mortgage and life insurance premiums even though income is earned

overseas? Payments are approximately £250 gross for the mortgage and £50 net for life insurance each month, and net relief on the one, and the net payment on the other makes them possible!

1—The contents insurance is likely to be more expensive, because of the greater risk of theft.
2—If you are domiciled in England and Wales (or in Scotland or in Northern Ireland), none of your income is likely to be assessable on the remittance basis. We take it that you will continue to be regarded as resident and ordinarily resident in the UK, for tax purposes. No doubt you have seen our recommendations that readers in your position should read the following free booklets, which are

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Disposal for CGT purposes

I wish to realise a capital loss on BSA shares (now held as Norton Villiers Triumpb). I note that transactions have recently taken place in the latter shares under Rule 163 (2) (a) at a nominal sum. I would like to transfer my shares to a friend, could you please advise me of the procedure involved in doing this for myself?

Provided that there is a bona fide sale (with no reacquisition contemplated) and provided that the purchaser is not a connected person (as defined in sections 62 (3) and 63 of the Capital Gains Tax Act 1979), then an exchange of letters and a duly stamped transfer deed should establish the date of the disposal.

A major tax change announced last week means unit trusts can now launch gilt-edged funds. Tim Dickson reports

Suddenly it's spring

INDIVIDUAL INVESTORS will soon be able to purchase Government stock efficiently through the medium of an authorised unit trust. This far-reaching development has become possible following the surprise announcement in the Commons last week that certain unit trusts concentrating on UK fixed interest securities will in future enjoy special tax treatment.

The news, reported to an almost unbelieving investment world on April Fool's Day, sets the seal on what has been a remarkable few months for the unit trust movement.

Depressed by the sluggish pace of sales and the record level of units cashed in during 1979, unit trust managers have all of a sudden been granted freedom to increase their charges, freedom from capital gains tax in their own funds, and now freedom to tap what they believe is a widespread demand for professional gilt edged investment management.

As a delighted Mr. Cholmeley, chairman of Unit Trust Association, observed, "It's been a long hard road. We have been fighting for years for the right to sell the Government's debt and victory could therefore not be more satisfying."

The new concession, which will be formally introduced in a clause to the Finance Bill due to be published in the week beginning April 14, was announced (seemingly as a Budget afterthought) by Mr. Nigel Lawson,

Financial Secretary to the Treasury.

The new provision will mean that unit trusts which deal only in UK fixed interest securities (gilts, debentures, local authority bonds) and which are restricted to individuals or trustees of trusts under which only individuals can benefit, will no longer be taxed as companies.

At present authorised unit trusts pay Corporation Tax at 52 per cent (or 40 per cent in the case of smaller companies) on their unfranked income (i.e., income from gilts or bank interest where tax is not automatically deducted). In future unit trusts specialising in fixed interest will pay tax on this unfranked income at the basic rate of income tax, namely 30 per cent.

Individuals investing directly in gilts only pay at their own marginal rates of income tax. Hence, the virtually insurmountable handicap in the past to investing via an authorised fund. Individuals, moreover, enjoyed a further advantage until this week by virtue of the exemption from capital gains tax of gilts held for a year and a day.

From last Monday, however, authorised unit trusts no longer have to pay any CGT at all — previously they were liable at the reduced rate of 10 per cent. Suddenly just about every unit trust group is dusting down plans to launch new trusts or modify their existing funds. The



Mr. Thomas A. Gore-Brown, Senior Government Broker, more customers on the way

Inland Revenue has apparently ruled that none of the trusts currently on the market yet qualifies for the special tax treatment.

Craigmont's Gilt Trust, for example, seemed to be a suitable vehicle but it is understood that the trust deed at the moment does not exclude corporate investors. Target already has a gilt fund which aims for capital growth but Mr. Ian Sampson, managing director, says he has

plans to launch a separate fund with income objectives. Many others have the same idea in mind.

It will, however, probably be two to three months before the first of these funds is unwrapped. New or supplemental trust deeds will have to be drawn up and approved by the Department of Trade, which is already swamped under with about 50 applications to alter trust deeds as a result of last year's decontrol of charges.

Meanwhile, unit trusts, whose expertise has mainly been restricted to the equity market, will now be thinking about how to manage their new funds.

In some ways gilts management is simpler than equity investment. As Mr. James Parrish, of the discount house King and Shaxson points out, "You don't have to worry about the viability of the borrower or the consistency of dividend payments as you do when picking equities. The gilts market is about just one commodity and there is little problem of marketability."

"Gilts management is about the judgment of interest rates, rather than the judgment of securities." The bigger unit trust groups which already have their own gilts experts will not need to look elsewhere. But the smaller companies may well be forced to buy in new management or else decide formally to enlist the help of a discount house or stockbroker.

... and looking further ahead

NEW OPPORTUNITIES to invest in gilts are opening up, but two important questions should be immediately answered. Will a unit trust be the best way into Government stock and is this the time to buy?

Besides using one of the existing authorised unit trusts (which will not qualify for the lighter tax treatment until their deeds are changed) investors can at the moment obtain active gilts management via an offshore gilt fund, a gilt bond, a stockbroker or a merchant bank. (The last two will only manage large individual portfolios.) On top of these options, you can buy gilts individually through a stockbroker or your nearest Post Office (on the National Savings stock register).

Offshore gilt funds, which are virtually free of all taxes, have been popular vehicles. According to Jersey stockbroker Le Maurier, James and Chinn the 20 odd offshore funds manage about £170m. As a result of recent developments, however, their only remaining advantage over authorised unit trusts is the ability to pay dividends gross. Authorised unit trusts, of course, supply a tax credit so that people who don't pay tax are not penalised.

Gilt bonds, meanwhile, suffer corporation tax on their income at 37 per cent (the life insurance company rate) and capital gains tax within the fund on gilts not held over for a year. They now look to be at a serious competitive disadvantage following the recent tax changes.

The liability to CGT of gilts not held for a year will also continue to be a handicap to stockbrokers and merchant bankers running private portfolios.

Authorised unit trusts have always enjoyed the stamp of Government approval and after a long wait they are now tax efficient vehicles for investing in gilt-edged securities. Investors should, however, bear in mind that most of them will have to prove their management abilities in this field.

The costs of dealing direct with a broker vary from firm to firm and generally depends on how much business you already place in their hands. The Stock Exchange lays down a minimum rate of commission for equity transactions but charges for gilt edged deals are made on a discretionary basis.

Gilts on the National Savings stock register (there are about 50 of them) can be bought from

your nearest Post Office. You simply fill in the relevant form, send it with your cheque to the Blackpool stock office and the deal is subsequently carried out by the Government broker. Charges are £1 for the first £250 and 50p for each subsequent £125—a £500 purchase therefore costs £2 and a £1,000 deal £4. The drawbacks to buying gilts in this way are twofold. Investors are restricted to a limited number of stocks. And the price prevailing at the time of your application cannot be guaranteed. Nonetheless more than £10m of stock are bought through Post Offices each month.

What then about the outlook for gilts? For some months commentators and analysts have been eagerly predicting a rising, if not a roaring, bull market over the medium term. Their assumptions have consistently been based around hopes for a fall in Minimum Lending Rate from its present record level of 17 per cent—a development which, bas, of course, failed to materialise.

Mr. Don Sirkett, investment manager of the Prudential Corporate and one of the men responsible for a gilts portfolio worth a tidy £1bn, says "I

don't see the market powering ahead in the next few weeks, as I can't see MLR coming down while the Government is trying to control the money supply. It is a battle between the present uncertainty and the obvious promise of the future but I don't think people need hurry to put their money in the market."

Mr. Jan Stephenson, of discount house Allen, Harvey and Ross, managers of the most successful offshore gilt fund in the past year, is optimistic about the long term but confesses to being uncertain about the immediate future. The AER fund "is not 100 per cent invested."

Mr. Peter Turner, head of the gilt-edged research department at stockbrokers James Capel, sees the current exceptional demands on the corporate sector maintaining tightness in the short term money markets for the next month or two.

Besides being the answer to their marketing managers' prayers, unit trusts' entry into the arena of gilt edged management could also prove neatly timed — assuming analysts' current expectations are fulfilled.

T. D.

Cracking down on the 'unemployed'

Many employees these days are forced to retire early, and some of them, as a means of supplementing their income, have claimed unemployment benefit for a year.

The Social Security changes announced in the Budget, however, will clamp down on this by clawing back the benefit where the company pension exceeds £35 per week.

With the present unemployment benefit for a married couple being £33.40 per week, this means that anyone receiving a company pension over £68.40 will get no unemployment benefit.

If this change does go through, the employees in company pension schemes retiring

before State pension age should negotiate for a temporary pension to be paid up to the time the State pension becomes due. The Inland Revenue will allow such temporary pension payments, above the normal two-thirds limits, providing they do not exceed basic State pension level.

The employee may still need to pay further National Insurance contributions to qualify for the full basic State pension. But since the changeover in 1975 to earnings-related contributions, it is not possible to give definite advice. The employee needs to consult the local Social Security office to determine the exact position.

Eric Short

NEW POSITION	£	OLD POSITION	£
12 month advance	2,646		2,222
average loan outstanding	1,333		1,111
interest at 15 per cent	199.95	at 9 per cent	100
within the £200 exemption		half this figure	50
		within the £50 exemption	

Just the ticket

HIGHER PAID employees will be hit by the Government's decision to tax interest-free loans from companies more severely. But the Chancellor's proposals—which also involve lifting the amount of notional interest not taxed from £50 to £200—actually leave the lower paid rather better off.

Many companies, for example, operate a generous scheme to enable employees to help them over the costs of buying a season ticket. It is, of course, an advantage to buy an annual season ticket where the discounts given can be invaluable in times of steadily rising rail charges.

But you need to find a lot of money, perhaps as much as £1,000, in one go.

Under the scheme, a company lends the employee the cost of the season ticket which is repaid in equal monthly instalments over the year. No interest is charged on the outstanding balance. But the notional interest at a prescribed rate, is treated by the Inland Revenue as a benefit in kind. This interest is assessed on half the amount lent.

In the year just ending, this interest rate was 9 per cent, but the first £50 of notional interest was excluded from the assessment as a benefit in kind.

Furthermore, there were special rules for the year which only took half the interest into account. Following last week's Budget this interest rate has been lifted to 15 per cent, but the exemption is also raised to £200 and the special rule abolished.

The net result is shown in the table. It shows that the maximum loan, without penalty rises from £4,222 to £2,666. But had the Chancellor done nothing, the maximum loan would have fallen to £1,111.

T. D.

M and G's Easter parade



Mr. E. W. I. Palamountain

M AND G, the UK's second largest unit trust group, officially parted company this week with two of the men who helped establish its unrivalled reputation during the 1970's.

Mr. Edgar Palamountain and Mr. Clive Fenn-Smith, formerly chairman and managing director respectively of M and G, resigned their executive positions in December after the discovery of a possible £7m tax liability on the group's Foreign Life Fund.

While M and G was immediately able to transfer £2m of its own reserves into the fund, it was forced to ask its major shareholder Kleinwort Benson to wipe out the remaining deficiency. (The size of the liability has not yet been established, but it is expected to be significantly lower than £7m.) Mr. Palamountain and Mr. Fenn-Smith accepted "Ministerial responsibility" for what was admitted to be a management mistake, though until last week both retained their seats on the M and G board.

Now Mr. Fenn-Smith is joining Barclays Unicorn, where he will take up his new position as executive director. Mr. Palamountain, on the other hand, has a number of other interests both inside and outside the City and is unlikely to crop up again on the unit trust scene. A popular and eloquent spokesman for the unit trust industry, he will be missed by former colleagues, rivals and journalists alike.

T. D.

Something you can't afford not to buy

PETROL UP rates up, electricity and gas up—a chilling thought for Easter weekend. And almost certainly our motor and home insurance premiums will follow.

Motorists can be facing increases ranging from 18 per cent to 25 per cent or more, depending on choice of insurer. Home insurance premiums will be up, partly because most insurers in the last few months have been increasing their buildings rates from £1.25 to £1.50 per £1,000 sum insured, partly because many of us now have index-linked home policies—which involve the alteration of sums insured and premiums in line with movement of either the building cost index or the consumer durables section of the retail prices index.

The not-so-well-heeled south eastern commuter may now well have to find motor premium of £75 or so for comprehensive cover on an average family saloon—premium of £60 for £40,000 home buildings insurance, and £30 for £10,000 home contents cover.

On this basis over £3 a week has to be set aside just for insurance on the family's main items of property—and quite a number of people, I am sure, when each renewal notice arrives, must wonder how they can find the money, and assuming they can, whether the expenditure is worthwhile.

But a few moments' pause for reflection will show that for the average family man—not I agree, the retired citizen living on a fixed income—motor and home insurances today take proportionately no greater part of the family resources than they did 20 years ago. Indeed, if one stretches right back to the 1930's, car insurance is now proportionately much cheaper than before the war.

In those days comprehensive cover on a 10 h.p. saloon cost at full no-claim discount between £10 and £12—a sum around three times the then

INSURANCE

JOHN PHILIP

average weekly wage. Today's £75 premium for modern wider "comprehensive" cover on the modern equivalent car is less than three-quarters of the current average weekly wage.

The immediate answer to the question: "Can I afford the premium?" is to ask oneself "Can I afford not to pay the premium?"—or to put it another way "Can I afford to carry my own risk?"

If the immediate answer to the first question appears to be "No," then almost certainly the proper answer to each of the two following questions is "No" also.

This is because the cost of the average motor or household claim is now in the region of £250 and, of course, ever rising. Current statistics show that the average motorist can expect to be involved in an accident once every six years and the average householder can expect to suffer misfortune giving rise to a claim once every five years.

Anyone who thinks to carry his own risk cannot with impunity just put the premium inadvertently into other goods or services, for statistically the day of reckoning must be coming when he will have to dig deeper into his pocket.

Many insurers help policyholders to spread the premium load by collecting premiums by instalments usually monthly, but sometimes quarterly, or on some other basis, and usually without charging policyholders anything approaching the current market rate of interest.

If one has premium-paying problems, it is as well to find out what terms one's insurers have to offer. Incidentally, the policyholder who arranges cover through a broker or other inter-

mediary who is given credit for premiums by insurers may well have to route his instalment premiums differently from the lump sum premiums previously paid: among company insurers part of the instalment bargain normally involves direct payment into their accounts, not to the brokers.

The motorist who has full comprehensive insurance can cut down his cover, and therefore his premium by taking more of his own risk—he can save upwards of 5 per cent by taking an "excess," the percentage depending on the amount of each damage claim he is prepared to pay.

He can save, usually 10 per cent, by having driving limited to himself and his wife, or perhaps some other close friend or relative of mature years and good driving experience. At greater risk to his own pocket, he can cut back his cover to third party, fire and theft, or third party only, and save perhaps 40 or 50 per cent of the "comprehensive" premium.

The smaller the cut in cover, the less the problem of self-funding against the risk of accident.

On the household side, the policyholder's obligation is, of course, to have adequate sums insured. Index linking has been introduced to avoid both inadvertent and deliberate under-insurance, and more insurers are making index-linking inescapably obligatory.

Nevertheless, there are some insurers who may let the householder off the index-linked hook—but such a householder is in a "Catch-22" situation: he will almost certainly then find himself fixed with a "condition of average" which will mean that if he is under-insured at the time of loss or damage, he will have to bear his due proportion. Once again his pocket will suffer.

The only sensible course is to pay up and sleep soundly.

£15,000, and most of these are nearer the £15,000 end of the range.

The BSA would prefer to see interest relief extended to mortgages of more than £25,000, but it feels that the higher limit on individual investments may help reduce the number of accounts.

There is nothing to stop those with sufficient resources putting £20,000 into more than one society.

Limit up to £20,000

FROM THIS weekend savers will be able to deposit up to £20,000 with a single building society, against the previous ceiling of £15,000.

The limit on joint accounts will rise from £30,000 to £40,000.

These little-noted Budget changes do not at first sight seem to be a significant encouragement to building society investors, most of whom think in terms of several

BUILDING SOCIETIES

TIM DICKSON

hundred, rather than several thousand pounds.

According to the Building Societies Association, however, there are no less than 500,000 accounts of between £10,000 and

PROPERTY

Robinson Crusoes, please apply

BY JUNE FIELD

I OFTEN feel that I should like to own "some unsuspected isle in far-off seas," as Robert Browning put it.

But island-buying is at a fairly rarified market, and it is sometimes difficult to get a clear picture of what is on offer, because negotiations can be long and protracted. Even so, some recent sales are fairly well charted.

Last autumn Bernard Thorpe and Partners' Edinburgh office sold the rugged 90-acre Lings Island in the Shetlands—with its seals, shepherd's hut, remains of an ancient chapel

and planning permission for a new dwelling. It was surely a snip at £10,000.

Recently for sale at £45,000 was 2 Fiddlers Green, on the historic Holy Island, Lindisfarne, a two-bedroom detached house with mains electricity and mains-fed water from an artesian well, with superb views over St. Cuthbert's Island. Details from Mr. Paul Kirby, Bernard Thorpe and Partners, 18-18 Hood Street, Newcastle-upon-Tyne (0632 61141).

In the Orkney island of Burray, connected to the mainland by a causeway, a

modernised two-bedroom cottage on the sea shore, ideal for anyone wanting a quiet life and isolation in beautiful surroundings, was being offered at £19,000 by Wm. Dennison (Shapinsay), Saverock, St. Olo, Orkney.

On Skye, there was a three-bedroom stone-built house for sale through Christie and Ferguson, solicitors, Bridge Road, Portree, Isle of Skye; on the Isle of Arran, serviced building plots in Lamash and Shiskine are being offered by D. H. McCallum and Co., 14a Beresford Terrace, Ayr (0292 67987).

Staffa the Fingal's Cave Island, was bought by a retired Scottish accountant for about £100,000, and Sanda, off the Mull of Kintyre, complete with cottage, lighthouse and hill-farm grazing sold for £120,000.

Both islands were on the books of Knight Frank and Rutley, and their more recent offering was the fertile and productive 326-acre Isle of Pabay, off Skye, world famous for its fossil beds. There is an income of £8,000 a year from the sale of seaweed-eating sheep, wool and winkle, and there could be more if scallops and oysters were farmed.

The recorded history of the island goes back to the 13th century when hermits sought seclusion from religious persecution, and the seas around teem with porpoises, otters and whales. The agents were looking for offers in excess of £175,000 for the island, with its 90-foot storm harbour, farmhouse, bungalow, barns, livestock and machinery.

Serious inquiries to Mr. C. B. Strang-Steel, Knight Frank and Rutley, 8 Charlotte Square, Edinburgh, for details of islands for sale.

Smiths Gore, 10, Melville Street, Edinburgh, acting on behalf of the trustees of the Duke of Argyll, are handling the sale of the island of Iona. The deal specifically excludes the renowned abbey, but it comes complete with barony titles, and the 1,900 acres has

two let farms, 15 crofts with common grazing, plus eight cottages, four of which are let.

In County Galway, 10 minutes from the shore by boat, the island of Killybeg Harbour is for sale, 22 acres with planning permission for a house. Details Osborne King and Megran, 26, Eyre Square, Galway (091 65261).

Miss Shelly Nohowel, marketing director of Sotheby Parke Bernet International Realty Corporation, says the Bahamas, is attracting an increasing number of foreign investors in both banking and real estate.

SPB recently sold Unicorn Cay on Eleuthera, with its colonial residence originally built for British author Rosita Forbes, and has Windermere Island east of Eleuthera with a 6,000-ft Atlantic and Savannah Sound waterfrontage, under offer on an asking price of \$950,000. For sale at \$330,000 is Williams Cay, a lush private 200-acre island in the fine sailing and fishing waters of Exuma Cays.

For more details write to Miss Nohowel, Sotheby Parke Bernet, 980 Madison Avenue, New York 10021, U.S., who will also send (for \$10.95 including postage), the company's glossy new book, *Sotheby Parke Bernet's Luxury Properties*. It includes splendid colour shots of all kinds of properties in New England, New Orleans, Manhattan, Palm Beach or Texas.

Contact Miss Hazel Otway at Sotheby's Press Office, 34-35,



Holy Island, off the Northumbrian coast, is one of the spots around Britain beckoning people wanting a place away from crowded cities. Recently a two-bedroom house was on offer there for £45,000, offering superb views over St. Cuthbert's Island, main electricity and mains-fed water from an artesian well. When the tide is out you can walk home from the mainland. Details from Mr. Paul Kirby, Bernard Thorpe and Partners, 18-18 Hood Street, Newcastle-upon-Tyne.

New Bond Street, W.1. The book is £5.50 including postage.

You don't have to go quite so far afield for seclusion, though. Six old cottages for restoration at prices ranging from £15,000-£30,000 each, are being sold in the heart of the North Yorkshire Moors National Parks on the privately-owned 4,280-acre Farndale estate, three miles from Kirbymoorside, 10 miles from Pickering.

The estate is protected as a nature reserve, and the area is particularly noted for its extensive quantities of wild daffodils along the banks of the River Dove. Agents are Knight Frank and Rutley, Boroughbridge, in conjunction with

Boulton and Cooper, and Berry Bros.

Park Gate, Bucklers Hard, Brockenhurst, in a half acre of Hampshire countryside, overlooking the Solent and the Isle of Wight, is a chapel converted to a home. It was built in 1906, for the second Lord Montague. Although never consecrated, it was dedicated, and used until 1962.

The chapel still has the original oak bell turret and shingle-spire with a weather-vane formed of the arms of Montague, and there are three bedrooms, two bathrooms and a swimming-pool.

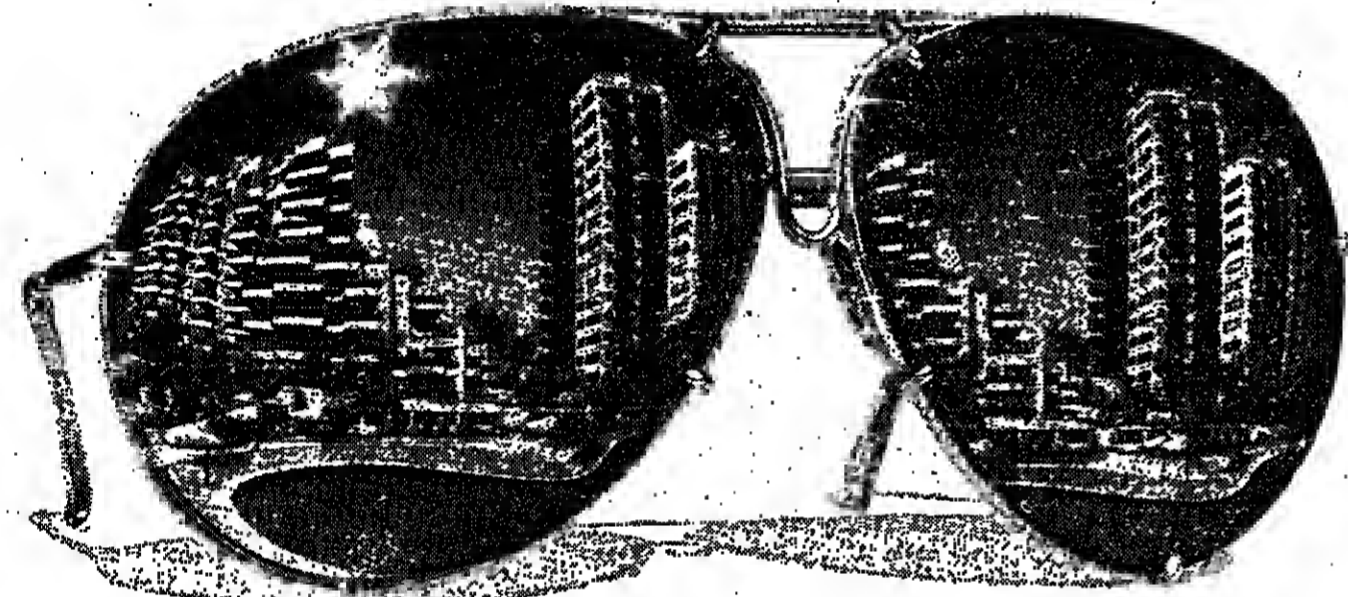
Offers are invited in the region of £80,000 through

Jeremy Stanley-Smith, Fox and Sons, Lymington (0590 75424), and Robin Petherick, Strutt and Parker, 41, Milford Street, Salisbury (0722 25741).

Jackson-Stops and Staff, 37 South Street, Chichester, Sussex (0243 756316), is auctioning three cottages on April 23, all of which need some modernisation or improvement. Seaways, Smugglers Lane, Bosham, is an old thatched bungalow among the trees with direct frontage to Chichester Harbour. The price guide is £45,000, and on lots 2 and 3 (Bluebird and Cherry Blossom Cottages, West Wittering) and nos. 17/18 East Lavant, £15,000-£20,000 and £45,000-plus, respectively.



Oak House, Farndale, Kirbymoorside, will provide seclusion on the Yorkshire Moors. It is one of six unmodernised cottages in the heart of the North Yorkshire Moors National Parks, on the privately owned 4,280-acre Farndale estate, which are to be sold between £15,000-£30,000 each. Details: Knight Frank and Rutley, Boroughbridge, in conjunction with Boulton and Cooper and Berry Bros.



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LEISURE

There's nothing to beat the fun of a good finish

THERE ARE thankfully some exciting finishes to both championships and tournaments to fire the imagination with every successive season. The rain-delayed climax to the Sea Pines Heritage Classic at Harbour Town Links on Hilton Head Island off the shores of South Carolina last Monday afternoon certainly came into that category. But it also was bizarre enough to suggest that more than one of the principals had been affected by what is known throughout the world as "island madness," suffered when one's return to the mainland is delayed for any of a variety of reasons.

Conditions were difficult enough on the final two days to suggest that the finish would be a close-run thing. With a swirling wind gusting up to 35 mph and hot sunshine they were perfect for drying this lovely golf course, but there was no run on the ball and so it was playing much longer than ever before. In the finish there were only five sub-par scores on Monday, and of the 18 best placed players going into the final round on Monday, only one, Edmond, Oklahoma, had a two-stroke advantage over his nearest rivals—at six under-

GOLF

BEN WRIGHT

par. Towell fell foul of the 548-yard 15th hole, however, a true par five which readers of this column know that I regard as the best of its type in the world. Towell's drive finished under the lip of the right-hand bunker, and so he eventually reached the green in four instead of the regulation three shots to then lead only by one.

Playing immediately in front of Towell, Jerry Pate (four under) and John Mahaffey (three under) were unable to make their move at the 367-yard 16th hole, their last realistic birdie opportunity. Mahaffey's birdie putt touched the hole, as did Towell's from a much greater distance a few minutes later.

The 170-yard 17th hole, played into the teeth of the wind to a narrow green heavily hemmed on both sides with the additional hazard of water all the way down the left, had been the graveyard of many hopes throughout the tournament.

On Sunday Pate had surrendered the lead he had held for 52 holes by taking five shots there, stuffing out one but two chips from bare lies behind and to the right of the green. On Monday his two iron shot landed

in virtually the same spot, but this time he bravely made his par thanks to a 12 ft uphill putt. Mahaffey salvaged a great three from the right hand bunker, but could not do so at the last from the bunker in front of the green.

And so it seemed that only Towell and Pate were in with a chance. Almost simultaneously, however, Pate drove into an unyielding palm tree bush to the right of the 18th fairway and Towell hooked his two iron shot from the 17th tee into the water. Suddenly Mahaffey and Gary Player, playing alongside Towell, were in with a chance, as were Ed Sneed and Hinkle, who had already finished at two under par.

Pate proceeded to make the most miraculous par four I had ever seen in defiance of all reason and logic and Towell, the bravest four one could wish to see by ramming in an 18 ft putt. Towell then watched patiently as Pate was able to avail himself of a free drop out of the bush because, on taking up his normal stance to make a slash at the ball, his feet were in at least an inch of casual water.

In the vehemently expressed opinion of Ray Floyd, who was assisting CBS Television's resident professional analyst Ken Venturi at the 18th hole, Pate would have to chip out sideways. Instead, after much hesitation and soul searching, he chose to smash the ball through the spiky bush although it appeared impenetrable, with his two iron.

Pate had no idea where his ball had finished but the frantic applause gave him a clue. To effect it had skittered into the marsh that bounds this 450-yard hole all the way up the left-hand side, and from this seemingly impossible spot Pate ran the ball across the green from the foot of the hole. Now the pressure was on Towell to make a par to tie, and he did so impeccably. And so they returned to the 15th tee, where Towell won the toss and hit a marvellous drive straight through the narrow avenue of trees.

For reasons only known to himself, Pate chose to use his two iron, which only served to bring the water down the left hand side of the fairway into play. Pate duly found it with his second shot with the same club so Towell, a 30-year-old former club professional, was able to make a carefully played par five for victory.

IT WAS AT 6 a.m. on a Sunday morning in Edinburgh, as members of a Canadian ice hockey team roused themselves from beds in surrounding rooms in preparation for a flight home, that I decided that the greatest asset a hotel can boast is thick walls. But the thickness of walls, essential though it may be, is not a point that seems to rate very highly in the complex encoding of Michelin, the careful calculation of Egon Ronay or the eccentric unpredictability of the Good Hotel Guide.

It does appear that no matter how well armed you may be with Guides and advice, the final experience is still very much in the lap of the gods. Nonetheless it is certainly true today that anyone who travels without the aid of some external advice deserves to get the occasional shock. If a hotel or restaurant is not mentioned in one of the many publications available, he is the increasingly reliable AA Guide or even one of the tourist board offerings, then there is a good chance something is amiss.

None of us is particularly good at keeping secrets, and

Room for comment

TRAVEL

ARTHUR SANDLES

It seems the moment we fall upon a good meal or a good hotel we rush to tell the guides about it. If no one has talked, perhaps there is nothing to talk about.

Only a couple of weeks ago I went through the agony of secrecy over a hotel I stumbled upon in Devon—should I tell or should I keep the secret quiet? After all, 11 rooms don't go very far if everyone wants to try it out. In fact it proved to be not such a secret after all; the property in question already rates a remarkable 71 per cent in the just-out Ronay and word is apparently spreading fast about this relatively new operation.

The Alston Hall hotel is a country house not far from the village of Holbourn. In winter there is an all pervasive aroma of wood smoke from a large fire which is kept burning in a corner of the huge, galleries entrance hall. The whole operation is in the seemingly relaxed, but patently highly disciplined, hands of Mrs Carruthers-Watt. After a couple of days of her whipping up a Devon cream tea, heading the meal hours to suit

the erratic time-keeping of her visitors (at one time discussing my addiction to scallops over drinks with her husband and then disappearing into the kitchen to produce some, followed by an amazing lightly-stuffed chicken breast) and even nipping down to Plymouth in the early hours to make sure we, her coddled customers, got our morning papers, life began to feel very pleasant indeed.

The Mrs Carruthers-Watts of this world are unusual, indeed rare. I know of many enthusiastic hoteliers; I know of almost as many skilful hoteliers; but to find the two combined is a remarkable event. However, she is not unique. Up and down Britain there are others like her. The problem, for the traveller, is to find them.

For a time I sat on a committee whose task it was to do just that—find such wonders of British tourism and expose

their qualities to a wider audience. It was an experience that drove me into gradual deeper depression and eventual resignation (there was one high spot, when I was exposed as a secret judge by a trade paper). The depression was not caused by the lack of quality on the British hotel scene, that there was, and is, in abundance, but by the terrible subjective pressures one encounters in such assessments.

The work was done, however, with vastly more thoroughness than most outsiders realised and with a real eye for encouraging quality at various price levels. The committee still exists and now it is without the burden of my presence I feel I have no axe to grind. I produce an extraordinarily useful little booklet, the British Tourist Authority list of Recommended Hotels and Restaurants.

The Commedoed list is very much a volume for the journey-taker. Michelin, on the other hand, is more of a working manual for the basic traveller, and its maps are several steps above those of the rivals. It is irritating to think that Michelin

has an ocean of information about the establishments it mentions and yet offers such scant nuggets of fact to its readers. The Good Food and Good Hotel Guides, now both published by the Consumer Association, are at the other extreme, with the accent on mood.

My nervousness about the Hotel Guide, for the moment, is that it has the air of an eclectic compilation, and I suspect, perhaps the aspersion is misplaced, its use would be fraught with delights and disappointments. It recommends but one hotel in Edinburgh, for example, and unblushingly says that readers will be extremely lucky to get a room there—just the sort of Guide you need after a long drive with two tired kids in the back seat.

Ronay is, on the other hand, chatty in a clinical sort of way—and he at least spotted Alston Hall before I did. Accommodation for either holiday or business trips is so important, and often so expensive, these days that the investment of a little time, and even money, on some research is no waste. All I ask is that someone brings out a Guide to wall thicknesses, and is there anyone in Canada who can warn me of British tours by ice hockey teams?

MOTORING

STUART MARSHALL

AS ANYONE WHO has recently taken the test will confirm, learning to drive has become an expensive business.

Driving schools are operating in a sellers' market, if experience in my part of the Home Counties is anything to go by. They are booked up for weeks ahead and for their fee of £5 or more an hour, they don't exactly fall over themselves to fit in with a pupil's wishes concerning times of lessons.

The instructors—many of them part-timers—may be of variable quality. They keep changing. My daughter, who has recently taken her test, found that for three lessons in the same week she could have three different instructors. Even though they followed the same procedures, the result could be unsettling. In the early stages of learning to drive, confidence building is everything.

Her application for a test went in on her 17th birthday—the day she got her provisional licence. The first date she could be given was eight months later, when the fee was £7.30. Now it is £10.30, Mer-

fully, she passed first time. Having gained a licence to be on the road in a car, unaccompanied, she is learning how to drive, as distinct from how to pass the driving test.

With an eight- or nine-month delay between applying for and taking the test now routine, this is hardly the time to urge that the test should be made more difficult and comprehensive. That would lead to a total breakdown, or at least it would unless a lot more examiners could be recruited and trained and more test centres opened. But is the test at the moment really adequate?

From the sidelines, it seems to me that to pass the test you need three things. First, the ability to control a car safely at low speeds. Secondly, a fairly good knowledge of the Highway Code, with a little inside information on the favourite "catch" questions of the moment. Thirdly, a number of drives around the local test route, which the instructor knows like the back of their hands.

How to reverse a car into a small parking space in a crowded street is no part of the test. Motorways are banned to learners and are thus unknown territory to the newly qualified driver. He or she need have not the slightest idea of what makes a car go, why the clutch has to be depressed for gear changing or even why a motor car needs a gearbox at all. How to avoid skidding on slippery surfaces and how to catch and correct a sliding car are no part of the test, either.

Shouldn't they be? I think so. Which is why I am anxious for my newly qualified daughter to get on to a skid pan—once she has learned the theory of car control in slippery conditions—and discover for herself how it all works out in practice. When she goes on a motorway for the first time, I would prefer to be in the car, too, though I doubt that my help or advice

will be needed. And I am especially keen that she takes her Institute of Advanced Motorists test within a year.

In an ideal world, the present kind of driving test would be part of a two-stage operation, preceded by simple theoretical preparation and concluded with an on-bourling examination of driving skill and roadcraft like the I.A.M.'s test. If every motorist had the modest degree of skill and the keen awareness of traffic conditions ahead that are demanded by the I.A.M.'s examiners, our roads would be much safer to drive on.

That is not just my opinion. The insurance companies think so. Since passing the advanced driving test several years ago and becoming a member of the I.A.M., my own car insurance has been discounted, first by 15 per cent and now by 17 1/2 per cent.

If any readers think I am being perfectionist, I would be glad to hear their views. Most of my daughter's pre-test driving was in a Datsun Cherry estate. It proved to be a good choice of car for a learner driver.

The Cherry Estate is the roomiest in its class, with a low ailed, slab sided load space

GARDENING

ARTHUR HELLIER

THIS IS the right time to start tubers for begonias and dahlias that have been stored dry during the winter and also to buy tubers and start them into growth. They are too tender to be safe anywhere that is frost free when temperature rises to 13 degs. C (55 degs. F) or higher.

The alternative way to obtain new dahlias is as rooted cuttings and they, too, will be available during the next few weeks. They can only be obtained from nurseries or garden centres whereas dry tubers are available from many retail outlets including some stores.

What are sold are known as "pot tubers" and are very small by comparison with those lifted from the garden but will properly handled they will grow into perfectly good plants capable of making a fine display the summer and early autumn.

Big dahlias tubers can be started in big pots or even in boxes so that they can be just covered with soil, but the little pot tubers require far less space and can be placed singly in 8 to 10 cm (3 to 4 in) pots in any porous potting compost, mixture of equal parts soil, peat and sand will do well or even half peat and sand without any soil since the mixture is mainly there to provide moisture and by the time the young plants are needing more food it will be safe to plant them outdoors.

The tubers, big or small, should be just covered with the mixture and should then be well watered. They will not need light until shoots or leaves begin to appear. This will take a week or so according to the warmth available.

There is no need to hurry them, as damaging frosts can occur in many inland areas right up to the end of May and it

only takes a degree or so of frost to destroy young dahlias grown.

Much the same applies to begonia tubers but these have no stumps of stems left to indicate which is the top of the tuber. It is, in fact, a rather flattened hump, but a little hollowed out on top and rounded below.

hTuber likes to sit almost on the surface of the soil and so need only have the thinnest of coverings at the outset. Indeed, many gardeners prefer not to cover at all but simply press the tubers firmly into moist peat.

Then they can go side by side in seed trays and need only be potted singly when each tuber has produced two or three small leaves. It saves space for a while but involves a little more work later on.

The most admired tuberous rooted begonias are those with very large double flowers and also those smaller flowered kinds that have slender, sprawling stems and are therefore suitable for growing in hanging baskets.

Some of the very finest have been given distinguishing names and are kept a 100 per cent true to type by vegetative propagation, but inevitably these cost a lot more than strains grown from seed and either marketed in mixed or separate colours.

There are several firms which still specialise in "named" begonias and these are the varieties that are grown by the retail enthusiasts, both for their own delight and to enable them to win prizes in competitions.

These extra fine varieties must usually be obtained mail order unless one lives close enough to a specialist begonia nursery to go and collect the plants. The pot tubers that are now appearing in great numbers in shops and garden centres are

all seed propagated and none the worse for that if it is just garden display that one is seeking.

Dahlias sold as pot tubers have been grown from cuttings rooted so late in the previous growing season that they have only had time to produce these small tubers. It is a trade that has grown enormously because the little tubers are easy to handle and can be marketed dry.

Once again it is not the method that will appeal to enthusiasts who want the latest and "best" varieties and are unlikely to find them on offer as pot tubers. They will buy rooted cuttings from specialist dahlias nurseries, will pot them singly on arrival and grow them on for a few weeks in a moderately heated greenhouse or frame before planting them outdoors about the first week in June.

The ordinary gardener will find the pot tuber less trouble and entirely satisfactory for garden decoration. The latest novelties will not be available but that matters little since the peak of excellence in dahlias was attained many years ago and all that breeders can be said to be doing now is ringing the changes on well known themes.

Pot tuber producers can afford to choose the most reliable of the older, well tried varieties, and nowadays they are usually marketed with a colour picture showing exactly what the flowers will be like. I like those that are small to medium size with flat or quilled petals and long stems that are good for cutting and display the flowers well above the leaves.

Returning for a moment to old tubers lifted from the garden last autumn, these offer two options. They can be split at once into several more

moosage pieces or they can be started as they are and then split when the new growths are.

If one is uncertain about this there is something to be said for the second option, but the oes shoots are so brittle that it is easy to break them off when dividing and so I prefer to divide while the tubers are still dormant.

If one makes certain that each tuber, cluster of tubers, is attached to at least one stub-end of last year's stems there need be no losses since it is around the base of each old stem that the new growth buds are formed.

In the mildest places, planting of both dahlias and begonias is possible in late May, but in most gardens the first week in June is safer. Dahlias enjoy really rich soil into which plenty of manure or garden compost has been dug and they also like all the sunshine that is going.

More essential for begonias is a cool, moist, open textured soil with plenty of humus in the form of peat or leaf mould. They will grow perfectly well in full sun provided they do not get dry but they will also grow and flower well in semi-shade—the kind of shade thrown by a large plant open to the neighbouring building which sky.

Begonias are quite short plants suitable for front positions in borders. Dahlias are of many heights, from a mere 30 cm (1 ft) to 1.5 m (5 ft), and they have such a marvellous range of flower shapes, and sizes and colours that something can be found for every need. Begonias and dahlias are non-stop performers from mid or late July until the first sharp frosts of autumn send them back to sleep again.

Testing the tunnel

SOME OF the final intricate touches were being applied to the technological marvels of the world's longest road tunnel when I travelled through it earlier this month. The St. Gotthard Road Tunnel, due to open on September 5, is 16,322 km (about 10 miles) and, at 1,100 metres above sea level, links Göschenen in central Switzerland with Altdorf in the Swiss Ticino beneath some of the world's most magnificent, and least compromising scenery. The transition is cultural as well as geographic. Together with the 9.3 km Seelersberg Tunnel, due to open in December along the south-west of Lake Lucerne, it will cut 1.2 hours off the journey for those in a hurry between

the Germanic north and the Italian south. At present the Alpine crossing can be made by the car-carrying St. Gotthard rail tunnel, completed 98 years ago, or the summer-only road over the St. Gotthard Pass (2,108 metres) which started off as a mule trail in the 13th century.

To the lay person, the new year-round road tunnel, which has cost Swfr 600m, seems like pure science fiction.

Currently, it costs Swfr 30 to take a private car through the rail tunnel. From September 5, on this new addition to Switzerland's toll-free national road network you will need only calculate the cost of the petrol, whatever the season.

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... ..

HOW TO SPEND IT

by Lucia van der Post

Easter—time to think of the kids

I'VE ALWAYS been against buying too many things for nurseries that were specifically aimed at children (after all, they do eventually grow up) but Hippo Hall is enough to make me change my mind.

Hippo Hall, if you haven't come across it, is a shop of total enchantment, entirely geared to turning the child's home into a world of charm, wit and colour—and before out-of-London readers groan let me hasten to assure them that Hippo Hall will take orders or dispatch an artist to all corners of Britain.

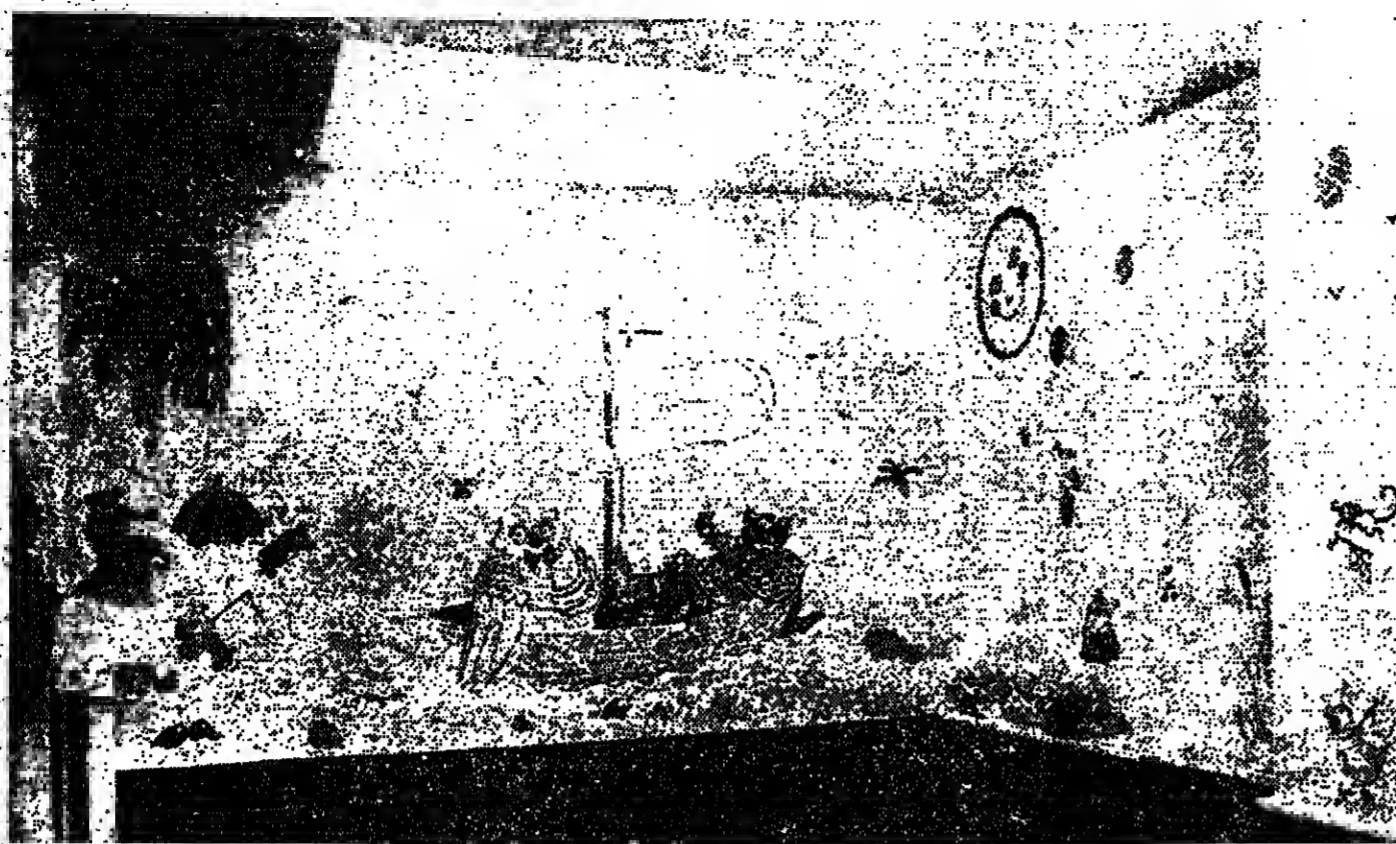
Half-way between a shop and an interior decoration service, Hippo Hall opened last September at 65, Pimlico Road, London SW1. It is a wonderland of hand-painted children's furniture, full of pigs wearing red bikinis, sheep rushing about with butterfly neckerchiefs flying, and mice nibbling pieces of cheese.

Annie Sloan is the artist responsible for all the fantasies and you can buy a single piece of furniture or commission a mural of your own.

Given that everything in the shop is unique and hand-made the prices seem to me amazingly good. I love the animal chairs (three of which are sketched here)—there are cats, crocodiles, bears, elephants, lions, hippos, penguins, frogs and pigs in the range, all £39.50 each.

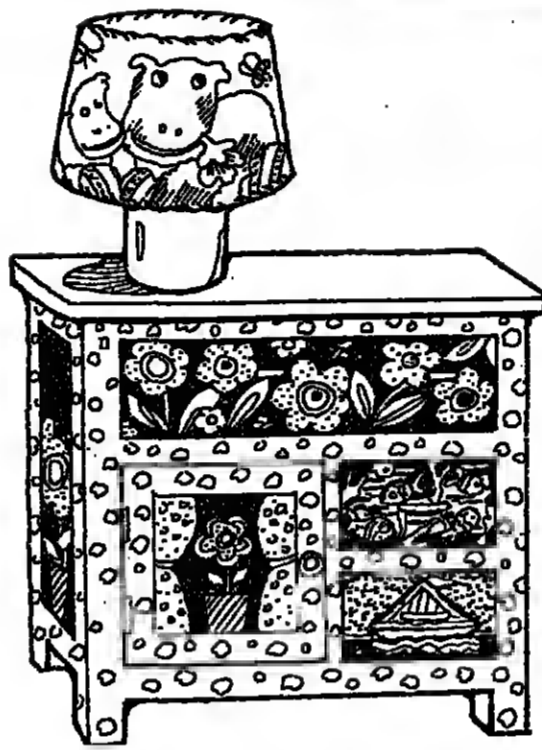
There are delightful toy chests, with the child's name spelt out in animal letters (two giraffe's heads meeting in the middle, for instance, form an M), animal bookshelves, tables, chests-of-drawers (the one in our sketch on the right features sunny flowers and a sea scene and would cost about £75) and many other nursery fittings.

For those who already own nursery furniture and would like it (or any other furniture) painted, Hippo Hall will do it—prices start at about £28 depending on things like the amount of preparation that has to be done first, how big it is, how elaborate is the finished painting. Besides paintings, the shop offers other techniques like stencilling, stippling,



Above is a mural painted in a London bathroom on the theme of the Owl and the Pussycat. Below left are three of the animal chairs that are so popular while sketched below right is an example of the way in which Hippo Hall's artist has transformed a fairly ordinary chest into an original and colourful piece of furniture. Hippo Hall also sells lamps like the one shown on the chest.

Drawings by Anne Morrow



trompe l'oeil and so on—it could be a marvellous way of cheering up a dull, undistinguished piece.

Murals are, of course, done to special order only and Annie Sloan varies the subject matter from fairy tale to comic strip characters. The Owl and the Pussycat scene, photographed above, was painted in a London

bathroom. The paints are acrylic and last for years but for a bathroom she recommends protecting it with two coats of varnish.

Besides the larger items of furniture the shop has masses of smaller items which would make lovely presents—currently one of the best-sellers is sweat-shirts with the child's name

appliqued on the back in different fabrics (£8.85 for sweatshirt plus five letters). There are tracksuits for mini-joggers, pretty quilts appliqued with individual pictures, cushions, towelling bathrobes with names appliqued—all in a world of such enchantment it must be what Bernard Shaw had in mind when he said

"what a pity childhood is wasted on children." Out of London readers who want a glimpse of all that Hippo Hall does should send a self-addressed large envelope with 30p in stamps and they will be sent a catalogue—it's worth waiting for the full colour version which will be ready in about three weeks' time.

Kitting them out

CLOTHING children may not get any cheaper but it certainly gets a lot easier. The growth of a number of small but individual mail order companies has meant that anybody, no matter how remote from a metropolis, can find something to please them if only they try.

Here for those readers who are looking for something a little different is a list of some of the good sources of children's clothes now about.

Precious Little, 53 Hatfield Court, near Bracknell, Berks, has a small brochure but pink samples of all the fabrics to a sheet inside and it seems to me to have an exceptionally pretty range of fabrics.

Dealing with children aged from six months to twelve years, there are rompers, dressing-gowns, blouses, shirts, trousers, shorts, dungarees and all the other essentials of the modern child's wardrobe. The style is pretty, charming and practical, rather than outrageously with-it. Prices seem reasonable—for instance a simple but pretty cotton and polycotton dress for an eight-year-old costs £12.25. For a catalogue send stamped addressed envelope and 30p in stamps.

Madcap Kits, 53 Head Street, Colchester, Essex CO1 1NH supplies clothes in kit form for children aged from one to 12 years. The kits contain the cloth, cut to size, a matching repair and all the huckles, buttons, zips and other necessities. It offers a useful halfway house in price and in effort between the fully home-made and the completely ready-made. They are much easier to put together than those made from shop-bought patterns, they are zero-rated for VAT and so seem a relatively inexpensive way of dressing the children if you can cope with the minimal sewing involved. Designs are limited but sturdy and practical, including cotton summer dresses and masses of dungarees. A catalogue will be sent in exchange for a stamped self-addressed envelope.

Bratclothes, 88 Landerdale Road, London W9 uses only the best quality fabrics for its clothes for babies-and-children up to eight years old. There is lots of cotton both printed and plain, and though the collection is small it has lots of hair-lovely knickerbockers, rompers with draw-string bottoms and shirts in match. The fabrics look charming. The catalogue is free on receipt of a stamped addressed envelope from the above address.

Sprogs' Togs, PO Box 4, Haddington, East Lothian, Scotland, offers a small full-colour leaflet illustrating its range of inter-related clothes for children from three months to eight years. Jersey dungarees with toning or matching tee-shirts, boiler suits, cotton dungarees, dresses and skirts. As an extra service, some clothes can be made to measure. A catalogue is free from the above address but do enclose a 10p stamp.

Buying good clothes in the first place sometimes means that children grow not of



Celia Baker

Tesco has commissioned Tom Gilbey, the fashion designer, to do a special range of children's clothes which at the moment is on sale only in Tesco's "Superstores" of which there are six—Peters, Essex; Manchester (has two); Nottingham; Western Faversham, Northants; and Birmingham. Sketched, above, are samples from the range. Fabrics are 100 per cent cotton, the print is a very pretty red, orange, yellow and green design on a white background, the plain colours are white, China blue and geranium red. Prices are very good—the cotton dungarees are £5.99, the bomber jacket £6.99, and the shirt £3.50 while the girl's dress is £5.50. The range fits children from two to 10 and the price goes up marginally for the seven to 10 age group.

them long before they are worn out so anybody offering to liaise between those who want to sell and those who want to buy second-hand clothes is obviously catering for a need. London offers at least two places worth noting (out-of-Londoners may find such places in their local Yellow Pages).

Out Grooms started in a private house but now there is a shop at 100 Albany Street, London, NW1. Baby-gros will sell at prices starting at £1, dresses up to age three start at £1.50 and so on.

Second to None, 10 Bassett Road, London W10 (open Tuesdays and Wednesdays only, 9.30 am to 5 pm) is in the basement of a private house and sells only top-quality second-hand clothes—the sort that nannies love. Harrods velvet-collared coats (now selling at about £48 new) go for between £16 and £20, smocked dresses for between £12 and £15, however there are also gumboots at 75p a pair and second-hand trys. Closed Easter week.

Pointers in the wind

FASHION

LUCIA VAN DER POST

ANYBODY WHO has opened any newspapers over the past few months or has even a passing interest in the fashion scene will have noticed that all has not been going very well in recent times for the British fashion industry.

The reasons are quite well known (the trade puts it down to that perennial villain of the British scene, the weather, and a mistaken attempt by the industry to foist on women a line that they found uncongenial, unflattering and uncomfortable) but looking at the shops all about me I wonder if the retailing industry has lost its head.

A friend reports how she stood at a bus stop in a snowstorm, several weeks back, and gazed in total astonishment at shop windows full of bikinis.

In the past few months I have frequently looked for something new, comfortable, tolerably warm and attractive with which to perk up my wardrobe and have indeed set out with money in my pocket determined to buy something. What do I find when I get there? Backs and racks of little sleeveless T-shirts and flimsy cotton dresses more suited to the climate of Florida than a Northern metropolis in the middle of winter (which is what I call February) when I was looking. I don't yet know where or when I am going on holiday and won't wish to think about clothes for it until I do.

What prevents me, and I believe thousands like me, from buying more clothes is that when I do go shopping I find that what is on offer falls mainly into three categories—it is either warm and serviceable but dull, or it is quite unsuitable for my life-style or it is totally beguiling, infinitely desirable and impossibly priced (the shops are full of little numbers that cost half a month's salary before you've even thought about the blouse or the shoes that you'll need to go with them).

To move on from my very personal observations (which I nonetheless believe to be very relevant) to the showing of our industry at last week's British Fashion Week.

It is a joy to report that our handmade knitwear was a fantastic success—if I mourn the fact that I can't buy more Edina and Lena sweaters at roughly £68 a throw, pity the Americans who apparently happily pay £200 and more a time. Names to look out for in the autumn are Jennifer Kieran, Vanessa Keegan, Carol Garbata and a marvellous Irish



Hand-made knitwear like this dusty pink lace sweater by Edina and Lena was one of the great successes of British Fashion Week. This particular sweater won't be on sale until the autumn but very similar designs are always to be found in their shop at 141, King's Road, London SW3.

Right, Jenni Ku had a big success at the London Designer Collections with her range of silk separates. For winter-wear she provided padded silk jackets so that you can go on wearing silk through the cooler days. This outfit also won't be in the shops until mid-July but in the meantime the Debenhams group, the Army and Navy, and Wallis shops all have some of her elegantly understated silk separates.

Justifiable for what it offers. A sweater at £65? You must be joking.

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pair called Eily Doonan and John Rocha.

Sadly, many of our designers are finding that if they go abroad for their textiles they not only can produce at much better prices but get much better service as well. Jenni Ku, whose silk collection was a great success at the London Designer Collections, found that when she went to Korea last autumn she was able to have her complete collection of 82 pieces made in three weeks—from sketch stage through to completed manufacture—something that is quite out of the question here. Apart from speed and price she also says (with much sadness) that the discharge printing on silk that she required, using between eight and ten colours, could not have been done in this country at all.

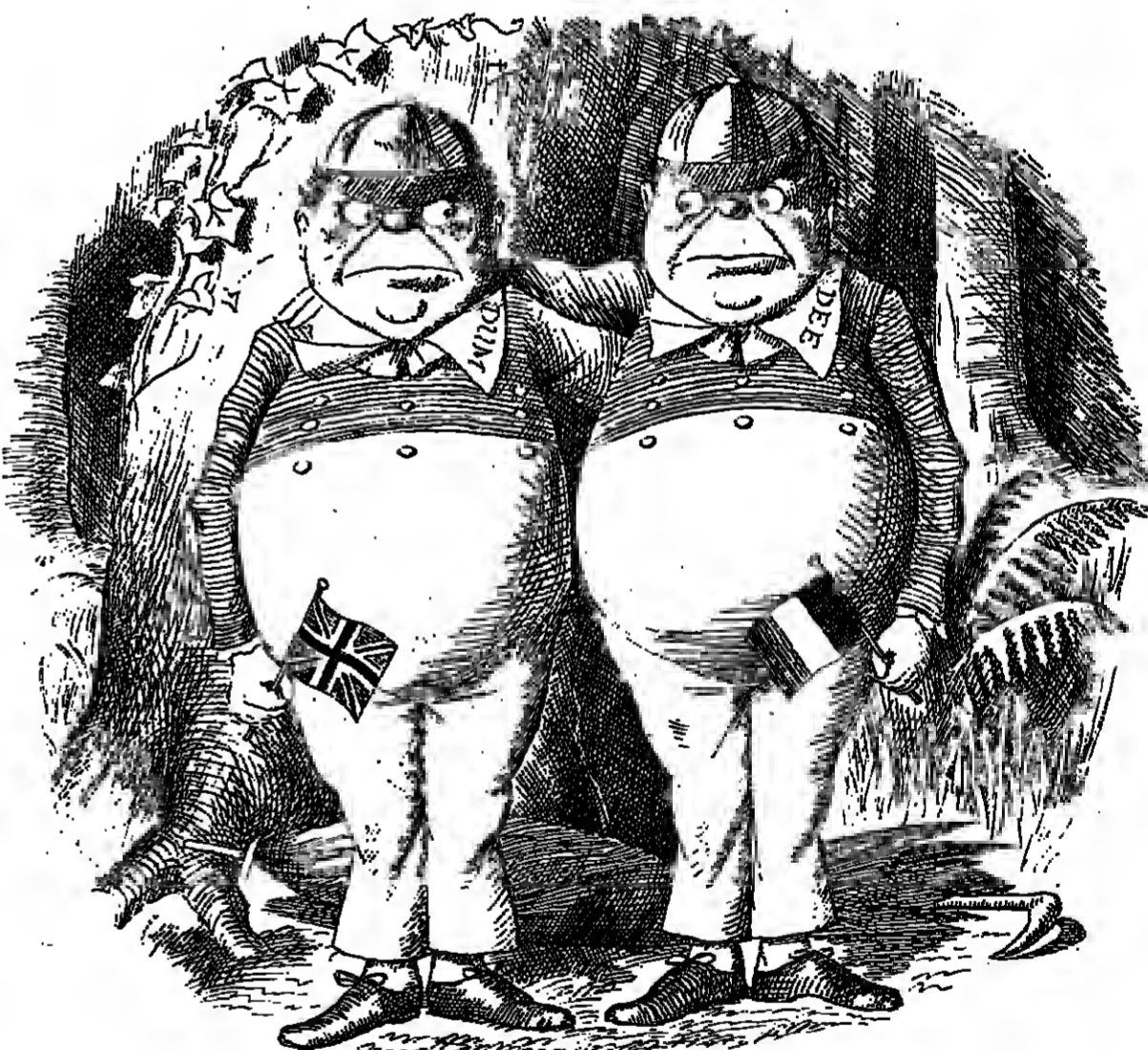
On the other hand Paul Costello, an Irish designer whose clothes elegantly encapsulate the British look at its best, shows just what can be done with British textiles—he does superb tailoring, using soft tweeds and flannels and heavenly knits (lovely, tweedy-looking yarns and he tops his cardigans with little lace col-

lars). See them at his shop at 36 Great Queen Street, London, WC2.

However, things may be turning more our way. Edward Rayne, president of the Clothing Institute, certainly believes so. "A quintessentially British look is coming very much into fashion now—our grey flannels, soft tweeds, hand knitwear and Scottish plaids will come into their own."

"To be in the fashion business all you have to be an optimist or you'd just pack up shop. Fashion all over the world has been suffering a recession, it isn't just here in Britain. What we've got to do now is to concentrate on exporting to Western Europe—that is where our future must lie, for our home market can't support an industry the size of ours."

"To do that we must study their tastes—produce a British look that appeals to the continental buyer. We must be more selective, more aware of people's real needs, their life-styles. I believe we have the resources to do this and the industry now is more confident, more professional. What we for success breeds success."



"...the most damaging of all post-war French devices—the Common Agricultural Policy and Common Fisheries Policy—were intended to aggrandise France...they sprang from selfishness as well as hostility."

"Britain, who sees no reason why prawns should be subject to the same treatment as mutton, has blocked every attempt to reach agreement on a common fishing policy."

On the eve of the crucial E.E.C. Summit, the Sunday Telegraph has invited two eminent politicians, one French and one British, to analyse the age-old rivalry between their two countries, and the role that each other's country plays in the Common Market.

Douglas Jay, Labour MP and former Government Minister, sharply criticizes the behaviour of the French in Europe since the formation of the E.E.C.

Maurice Couve de Murville, Gaullist ex-Prime Minister of France, feels that Britain will always be uneasy in Europe and is unable to understand or approve of the French.

You can read both sides of this controversial and highly topical debate in this week's Sunday Telegraph.

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ARTS

Legend and the cowboy documentary

CINEMA

NIGEL ANDREWS

Tom Horn (AA). Columbia. Warner West End. Classic Oxford Street. Scene Leicester Square.

The Killing of a Chinese Bookie. Electric Cinema Club. Independents. ICA.

MGM: The Directors. National Film Theatre.

Les Enfants du Paradis (A). Academy.

"Don't print the fact, print the legend," said the newspaper editor in Ford's *The Man Who Shot Liberty Bells*. And the saying has been enshrined ever since, in tablets of celluloid, as the great Either-Or statement about the cinema's character. Take your choice — Fact or Legend — they're both good value for admission money. But you can't have both at the same time.

Or can you? Westerns themselves are the oldest mixture of the real and the mythical, and Tom Horn shambles splendidly into town this week as if to prove the point. Steve McQueen, a downbeat superstar wedding flawless natural ease to Olympian magnetism, plays the real-life title hero: an opener-up of the West who wrote his own memoirs, on which Thomas McGuane and Bud Shrake's screenplay is based. The movie's story, deferring to McQueen's own past-prime grandeur, focuses on Horn's twilight years as a vigilante crusader against cattle-rustlers and on the trumpeted-up murder charge that finally led to his hanging.

Or rather it does not focus, it beautifully and burningly blurs. McQueen shimmers against the wide-screen Wyoming prairies as if trapped in a mirage, and John Alonzo's colour photography is in rough-gangster, pointillist browns and watery, backlit greys and blues. It is a stunning film to look at: a dust-laden Western engraving that is suddenly shaken into life and luminosity.

The slenderest of stories stalks through the film; mostly rousing changes on the modish late-Western counterpoint between old pioneering virtues and the new rise of entrepreneurial capitalism. McQueen is hired by a consortium of cattle-owners to defend their herds and to mete out dead-or-alive punishment to rustlers. Meanwhile, he falls in love—with school-teacher Linda Evans—and wins a series of private feuds and is finally

"framed" on a murder charge by the cattle barons and brought to trial. Declining to stoop to his persecutors' level by offering a defence, he is condemned to the gallows.

Even with its grimly fatalistic ending, this is a film drawn mostly in the *vouelle vague* style of Westerns: a movie that drifts through its plot-line catching any feathery digressions that blow its way. And into its strange, spacious, seductive rhythm are sucked both the real and the mythic. One moment director William Wiard is assailing our nostrils with the stench of cattle-rustling — a slaughter-shed hung with red and reeking carcasses — the next he is allowing the omnivorous grandeur of the Western landscape and the Western dreams to swallow up imperfections whole into its bug-mawed beauty.

Tom Horn has the ease, the spacioussness, the dignity that are the stuff of great fables. McQueen's face now has canyon-lines flanking the soft, bee-stung mouth, and a corrugated brow atop those horizon-blue eyes. But it's a face that has become stronger, not weaker, with age, and so have the soft-purr delivery and the feline, vigilant repose. McQueen doesn't switch on and switch off like many actors with each line of dialogue: he's always "on," but with such a soft alertness that it's easy to mistake it for non-acting.

He blends with the vistas of this Western — the skies and sunsets and the long grey prairies — as easily as the stone Presidents blend with Mount Rushmore. Tom Horn eternalises McQueen's soft-and-stoic charisma, and in doing so it has as much to say about the mythic possibilities of the Hollywood star system as about those of the Old West.

The Killing of a Chinese Bookie is like a gangster movie that's blown a gasket and gone to the garage. Dismantled by director John Cassavetes, who has slid himself under the genre like a mechanic under a car, it doesn't quite piece itself together again in the same shape. But what's the result? A failure? No, quite the opposite. It's a quirky, rickety, caustic, totally unexpected masterpiece. One always wondered what Cassavetes would do if he had a quasi-Hollywood genre movie to work with, as here, instead of his usual volubly impromptu all-human-against-is-here soap operas. Well, cease to wonder. *The Killing of a Chinese Bookie*



Steve McQueen

is an elastic, mean-streets thriller filled with oddball humour and humanity and starring the fabulously useful Ben Gazzara in a role that anticipates his later *Shogun* Jack. (Cassavetes' film was made back in 1977.)

Gazzara is the owner of a shoddy L.A. night-club, whose seedy topless routines and barrel-scrapping blue humour might have shamed Archie Rice. But Gazzara loves his work, and those working for him love Gazzara. Trouble looms only when he borrows \$23,000 from the local Mafia consortium, can't find the money and has to do a "job-for-the-Mob" to repay the debt: to wit, killing the titular Chinese bookie.

Cassavetes' camera, rocky as a rowboat on the high seas, weaves around his characters catching stray expressions and all-revealing impromptus. The dialogue, meanwhile, takes gangster-film manoeuvres and pulls them out long and loopy like chewing-gum: Mafia boss to Gazzara: "Mr. Metelli, the first rule of good business is to know what he's talking about. Mr. Metelli: WHAT ARE YOU TALKING ABOUT?" But the real magic of the movie is in its dismemberment of the film noir formula. Even after Gazzara's botched murder mission, the film doesn't screw itself up for a standard face-the-Mob finale, nor does it wind down for a tragic coda. It just limps doggedly on, like the wounded Gazzara, throwing in more rancidly funny slices-of-

nightclub-life and showing Gazzara's inadvertently bawdy skill in dodging the Mafia's liquidation efforts.

There is still one day to catch this marvellous film at the Ritzy Cinema, Brixton, and another week to catch it at the Electric, Portobello Road. Scratch all other commitments and go and join Cassavetes in gangland.

At the ICA there's a new season under the catch-all title of "Independents." Here you may sample such gems and curios as *Anna Ambrose's Phoenix*, a serpentine, psychotasting feminist conundrum, two jigsaw-like films from American critic-director Noel Burch —

Correction. Please and Le Noctuid — and a clutch of Peter Greenaway shorts.

The last-named are the prize blooms of the season. I've fanned Greenaway's praises before, but in case you weren't around let me repeat: Greenaway is probably the best, certainly the wittiest, short filmmaker in this country. His semi-abstract films concentrate sound and image in new, funny, startling ways, he cocks hilarious snooks at Academia and bureaucracy, and he uses moving pictures like a trapdoor through which you never know what will pop up or pop down or just vanish in a puff of smoke.

The National Film Theatre's marathon MGM season, running at slightly shorter length than the "Trojan War," continues this week with *The Big Parade*. Here you may introduce yourselves to, or renew acquaintance with, such as King Vidor, Clarence Brown, W.S. Van Dyke and John Ford. Glittering stuff, and if you haven't seen Vidor's *The Big Parade* on the big screen you really should.

Taking its umpteenth bow at the Academy is Marcel Carné's 1944 classic *Les Enfants du Paradis*. *La Belle France* in the 1930s is spread out for your delectation in this agelessly grand and saronic panorama of Parisian theatre life. Thrill to the plotting and heartaches and histrionics! Warm to the gorgeous nobility and soft-focus beauty of Arietty's heroine! Savour the sweet poetry and gilt-wrapped satire of Jacques Prévert's screenplay! In short waste no time and hie thee to the Academy.

Arts Council bursaries for theatre directors

The Arts Council is to offer a number of training bursaries in 1980-81 to theatre directors and would-be theatre directors. There will be up to six bursaries of £2,900 for people wishing to train as directors to enable them to study in a regional producing theatre, opera company, fringe theatre, community theatre, puppet theatre. The bursaries will cover periods of up to a year and candidates must be sponsored by the director of a company.

There will also be up to four bursaries available for associate directors. These will enable experienced directors who have

not yet been responsible for the artistic direction of a theatre to be appointed as the associate director of a theatre company for a period of up to a year. The bursaries are worth up to £3,783 for a full year.

In-service bursaries of up to £1,500 will be available for a small number of directors of reasonable experience to enable them to extend their knowledge in specific areas of work in this country or abroad.

Application forms and full information from: Jon Plozman, Drama Officer, Arts Council of Great Britain, 105, Piccadilly, London W1V 0AU.



Sinead Cusack and Susan Fleetwood

As You Like It

THEATRE

B. A. YOUNG

Cusack's Celia, is never a serious girl at all. She grabs Le Beau's bat and struts about with it when he comes to tell her of the wrestling (which, as Touchstone wisely says, is no sport for women to watch); she and Celia giggle together as they plan their escape into the Forest of Arden; her disguise as a boy is only camp. (Interestingly, Derek Godfrey's perceptive Jacques folds her in his arms when he has an intimate conversation for her; he knows her real sex all right.)

On the assumption that *fuo* is all we're after, this production is very enjoyable. Joe Melia's Touchstone is always able to make us believe that what he says matters, in one way or another, and was not just written in for Will Kemp or Robert Armin. John Bove makes a bad joke, if not very romantic, Orlando, who apparently sticks his poems to "the trees with BlinTak. The country copulatives are uniformly sweet; even the foul slut Audrey is charmingly pretty in Corrina Seddon's figure. Julia Tobin is radiant as Phebe, Terry Wood, earlier a giant wrestler, is admirably dim as William, and Allan Hendrick as Jaques, with a petite Sinead

Slivins. The production is full of little jokes that (for me, anyway) compensate a bit for the restless movements that constantly blur the picture. When the usurping Duke (Bruce Purchase) hears the name De Boys, he recalls as if in a Victorian melodrama; and when, a little later, he uses the oath "upon mine honour," Mr. Hands puts Touchstone just behind him, who has just exposed the fraudulence of that expression. "Same, same, same everything," Jacques concludes his seven-ages speech; and there before him is old Adam, well on the way to that condition.

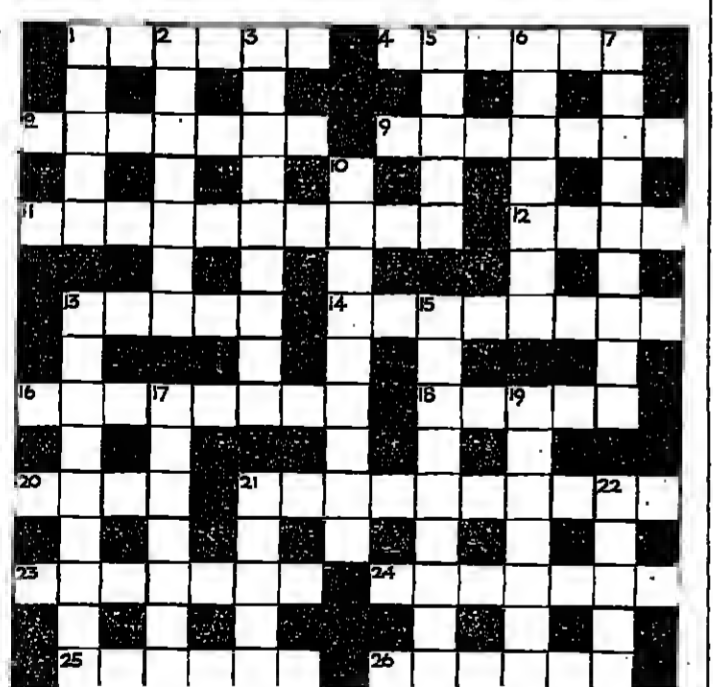
The play is not very pretty to look at. Farrah has set the first act against a sheepskin background with a line of ornamental metal spikes sprouting in the foreground; but for the Forest of Arden, the fur is baled up to reveal a set of tall, bare tree-trunks like organ pipes. As time goes by, bunches of spring wildflowers grow up around the boles of trees.

The costumes are smashing, especially the black and silver of the usurping Duke's court; and the music — on Thursday sung by Philip Dugan, Philip Dennis being indisposed — is lovely. The two pages do "It was a lover" in a gay little comic routine. Everything is artificial, including the emotions; but I felt elated as I left the theatre, and this is the real test of quality, or anyway one real test.

F.T. CROSSWORD PUZZLE No. 4,243

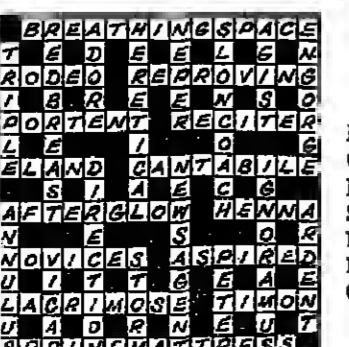
A prize of £5 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name
Address



- ACROSS
- Shoot to acquire plan of expenditure (6)
 - Wrench used by soldiers in turn (6)
 - Disorder of French row (7)
 - Compare surplus due on account (7)
 - Male race shows inertness (10)
 - Journey to ancient city (4)
 - Material returned as metal (5)
 - Mistake in recording motor-vehicle race (8)
 - Obligated to observe middle of Lent (8)
 - Horribly a soft friend (5)
 - Sore spot in nasty eye (4)
 - Break after alcoholic drink and biscuit (6-4)
 - Wonder if motoring organisation is to be seen in distance (7)
 - Bull-fighter using 12-point type rod reversed (7)
 - Fish to catch and stone (6)
 - Disclose soldiers taking meat (6)
- DOWN
- Crumble about weary learner inside (5)
 - Dose of medicine for man on board (7)
 - Deeply coloured from rage in end (9)
 - Common plan I introduced (5)
 - One who makes suitable electrical attachment (7)
 - Run to clan in disorder by night (9)
 - Like paint to make greedy person mad (9)
 - Chant around barren open country and it should cover the point (9)
 - Tolerate smoker and water supplier (5-4)
 - Begin melody outside the house (4-3)
 - Spend time, a long time, in journey (7)
 - Falsify in disbelief (5)
 - The King and I: Work of artist David Oxtoby.
 - Joe Fonda in "They Shoot Horses, Don't They?"

SOLUTION TO PUZZLE NO. 4,242



SOLUTION AND WINNERS OF PUZZLE No. 4,243

Mrs. A. B. Burnett, 8 Irvine Crescent, St. Andrews, Fife.
Miss E. N. Pragnell, 4 Crown Street, Harrow-on-the-Hill, Middlesex.
Mrs. P. Hook, The Long House, Burmore Road, Godalming, Surrey.

TV Radio

BBC 1

† Indicates programme in black and white

9.05 am Boss Cat. 9.30 Champion, the Wonder Horse. 9.55 Feeling Great. 10.05 Zorro. 10.30 Mickey Mouse Club. 10.50 "The Hills of Home" (Master of Lasso).

12.30 pm Grandstand: Football Focus: American Basketball; Boxing: Racing from Haydock Park; Flat Season 80; Rugby League: Wakefield Trinity; Castford; The University Boat Race. 5.10 Focal Score.

5.25 News. 5.35 Sport/Regional News. 5.40 Roll on Saturday. 6.10 Wonder Woman. 7.00 Sil. Creatures Great and Small. 7.50 The Val Doonican Music Show. 8.35 Dallas. 10.05 News. 11.15 Match of the Day. 11.15 Saturday Night at the Movies. 12.05 am Weather. All 12.00 am programmes as BBC1 except as follows: Wales—5.35-5.40 pm. Sports News Wales. 12.05 am News and Weather for Wales. Scotland—5.15-5.25 pm Scoreboard: Sport in Scotland. 5.35-5.40 pm Scoreboard. 10.15-11.15 SportsScene. 12.05 News and Weather for Scotland. Northern Ireland—5.15-5.25 pm Scoreboard. 5.35-5.40 pm Northern Ireland News. 12.05 am News and Weather for Northern Ireland. England—5.35-5.40 pm (South West only) Spotlight Sport.

BBC 2

1.15 pm Saturday Cinema: "Goldwyn Follies" starring Adolphe Menjou, Zorica and Andrea Leeds. 7.05 "Kid Millions" starring Eddie Cantor. 4.35 The Glorious Musketeers: Cartoon film based on Dumas. 5.40 Five to One with Tony Benn. 6.10 Schools from the Royal Albert Hall. 7.00 Discoveries: The Fortress on the Nile. 8.30 News and Sport. 8.45 Mozart: Mass in C Minor. 9.45 The King and I: Work of artist David Oxtoby. 10.05 Joe Fonda in "They Shoot Horses, Don't They?"

12.00 am "Steelyard Blues" starring Donald Sutherland and Jane Fonda.

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COLLECTING



William Powell Frith's The Railway Station.

The England of Mr. Frith

BY JANET MARSH

ON WEDNESDAY, in notable sale of Victorian paintings, Sotheby's, Belgrave, will sell one of the most famous and best-loved of all 19th century English pictures, William Powell Frith's *The Railway Station*.

This was the third and most spectacular of his great panoramas of British character. *Romance of the Road* had appeared in 1864, when Frith was 25, and was followed four years later by *Derby Day*. *The Railway Station* was completed in 1862 and was Frith's crowning glory. The painting and engraving rights were sold to the art dealer, Messrs. Agnew & Sons, for £4,500, a figure immediately exaggerated by the press to £8,000 and more, to make a better story than the record £5,000 recently paid to Holman Hunt by Flatow's rival, the Sotheby's, for *The Fighting Temeraire*.

Frith painted two copies of the picture simultaneously. The larger is in the collection of the Royal Holloway College, Egham, to which it was bequeathed by another eminent Victorian, the manufacturer of Holloway's Pills. The picture to be sold next week is a smaller, but possibly finer version prepared for the print-maker.

Frith's great national panoramas admirably demonstrate the essentially different approach to pictures in the Victorian era. They were, in themselves, exhibitions, or shows. People flocked to a new picture, in expectation of the same thrill they derived from the *Panorama* in Leicester Square, which opened in the 1830s and remained a popular entertainment, changing its great, cylindrical topographical canvases every 12 months or so, for 70 years.

This approach to fine art as dramatic spectacle is, in a sense, a comparable experience to the cinema or television today. It is significant that *The Railway Station* was exhibited in a room next door to the Theatre Royal, Haymarket. People looked to pictures for stories and characters. The Press reviews of the pictures were in fact detailed descriptions of all the incidents and personalities on Frith's station.

A typical comment: "A fair but overblown tradesman's wife is a picture of robust health; but the state of her nervous demands, probably, a short holiday at the seaside, and she could not leave behind a favourite bird, carried by the boy in his gauze-covered cage."

The Illustrated London News critic wrote: "If subjects of a religious, political or historical character demand a higher power of imagination, the illustration of contemporary life is nevertheless one of the most valuable functions of art. As a painter of his own time, Mr. Frith is only equalled by Hogarth, and in all the more technical qualities of art, the living artist is certainly the superior."

What Frith's contemporaries most admired was the inspired

partly by the Pre-Raphaelites' reverence for detail (though Frith had no time for their "revolutionary" ambitions, and in part by photography, which, after almost a quarter of a century, had reached a peak of popularity.

Every well-off home had to have a stereoscope, as we now have on television sets. The repertoire of the stereoscope consisted largely of just such genre pictures of high and low, town and country, parlour and kitchen, heroes and villains as appealed to the Victorian painter.

The stereoscope could not compete, though, with the scale of Frith's pictures. He aimed to give nothing less than an epic picture of the social life of his own times and his own country; and it is no accident that the engine about to pull its train out of Paddington Station is called "Great Britain".

Frith carefully chose a "mixed" train of first, second and third class passengers, and made its destination Southampton, so that he could convincingly show together soldiers and sailors embarking for that greater Britain, the Victorian empire, alongside country folk, returning schoolboys, and the villainous-looking, criminal thwarted in his intention of rapid emigration.

He even put real people into his pictures — the detectives arresting the villain are Haydon and Brett, who thrilled Victorian England with their international pursuits, and had only

months before dramatically retrieved a lost child, the Guinness-Hill heir.

Frith could, of course, have found no more fitting stage for his spectacle than the railway, which still thrilled the Victorians with a pride and glamour that is hard to comprehend today. "The railway," said *The Illustrated London News*, "has now infinitely varied relations with English life."

"The steam engine is the incarnate spirit of the age—a good genius to many, an evil demon to some. Poets find it a thing of marvellous suggestiveness, and begin to hang its garlands on its grimy sides and strewn its sooty path with flowers. Then, what is life but a journey—rapid, hurried and feverish to the inevitable goal? Or, take that railway platform, now alive with the anxious crowd of both sexes, of all ages, of all conditions, striving, struggling, jostling each other for place or precedence, and then anon deserted, still, and silent as death—is that not an apt illustration of the stage of life? And where could a painter find a nobler theme?"

It is touching that the very central figure of the composition, the square-faced, impassive Yorkshireman in the low-crowned hat, watching his wife embracing the younger of two sons departing for school, is the painter himself, who was proud enough to place his own family at the centre of this tribute to his nation and his epoch.

While the Phillips and Drew Kings, a grandmaster who few will expect to finish at the top but who is sure to provide lively tactical chess, is the Hungarian Gyula Sax. His enterprising style won this game

BRIDGE

E. P. C. COTTER

EARLY blunders by the declarer lost the contract in each of today's examples. The first deal comes from a pair event:

N. 1098
Q 5
AK 10
AJ 52
E. 1098
Q 5
AK 10
AJ 52
W. 1098
Q 5
AK 10
AJ 52
S. 1098
Q 5
AK 10
AJ 52

With East-West vulnerable, North dealt and hid one club, South replied with one diamond, and North rebid two spades. This was not an ideal rebid, but North did not want to say two no trumps with a doubleton heart. South now bid two no trumps, and North raised to three.

West led the heart Knave, dummy covered, the King won,

Costs of blunders

and East returned the six. South withheld his Ace again, but won the third lead, and led the spade Knave which ran to East's King. The club three was led back to the King and Ace. The declarer ran off his four diamond tricks, then led another spade, finessing the nine. When this succeeded, he cashed the spade Ace, but the Queen did not drop, and there was no way of making another trick.

To play the Knave of spades at trick four is an elementary blunder. The shortage of entries to his own hand makes it imperative for the declarer to preserve his entry by playing his cards in the right order. He must first play the three of spades and finesse the eight, losing to the King. He was the club return, cashes the diamond winners as before, and now leads the Knave of spades. If West covers, the rest of the spades are good; if West does not cover, South still has the lead, and can play another spade and finesse again, should West have started with four cards in the suit.

"Sorry, I think I could have made it," said South. "My fault," replied North. "I should have rebid two no trumps. A heart lead would not have hurt me," he added diplomatically!

The second deal comes from a rubber:

N. 1098
Q 5
AK 10
AJ 52
E. 1098
Q 5
AK 10
AJ 52
W. 1098
Q 5
AK 10
AJ 52
S. 1098
Q 5
AK 10
AJ 52

West dealt at game all diamond. North said one diamond. South answered with one spade, North rebid two diamonds, and South jumped to three no trumps.

West led the heart eight, South took East's ten with his Queen, and studied the position. With seven tricks on top he

needed a trick in each black suit for his contract, but these tricks had to be collected before West could establish and run his hearts.

After thought, the declarer led a low spade to the Queen. East won, and returned a heart to West's nine, and a third heart cleared the suit. When a club was led, West took his Ace and defeated the contract with his hearts.

"Unlucky," said South. "If I had played clubs first I would have made the contract." Only half true—it was not unlucky. Correct technique gathers in nice tricks.

After winning the opening lead, South should cross to the diamond Ace, and lead the spade three, an avoidance play. If East has the Ace and plays it, he sets up two tricks in the suit for South; if he ducks, South wins, and at once switches to clubs. If West has the Ace, there is no danger. With five hearts to the King and two Aces, he would not have passed as dealer—the club Ace must then be with East.

CHESS

LEONARD BARDEN

Next week's Phillips and Drew Kings, which starts at the GLC's County Hall on April 10, is both a rare chance to watch leading grandmasters in action in Central London, and an intriguingly open contest.

Public opinion will favour Korchnoi and Larsen as the glamour names but both these fine players can be variable in form. Tony Miles, the British No. 1, is also inconsistent but a few weeks after defeating Karpov in the European championships finished second at Lone Pine.

Perhaps ten of the fourteen competitors have realistic chances for first prize. The boy prodigy Nigel Short will do well to avoid finishing last, but may surprise one or two GMs in individual games.

Play in the Phillips and Drew Kings is 1.15-6.15 every afternoon from April 10-25 except for April 14, 19 and 24. Admission is £2 until 4 pm and £1 (subject to ticket availability) after that. Daily commentaries are by William Harrison of BBC's Master Game.

While the Phillips and Drew will provide a feast of spectator interest, our other notable

stockbroker chess sponsors, Grieverson Grant, are preparing increased support for the annual British Chess Federation championships in Brighton in August. This year's winner will receive over £1,200, and prizes in the Ladies Championship are to be doubled, a welcome decision reflecting the growing numbers of active women and girl players.

Last year Bellin won the British Championship ahead of Nigel Short and Nunn by means of a controversial tie-break based on opponents' score totals. The system therefore reverts to a play-off, and this is certainly superior where only two players are involved. Matches with their echoes of Reykjavik and Baguio attract a good deal of interest in their own right. One must hope, for the sake of organisers, sponsors and players alike, that we are spared another occasion like 1975 when no fewer than seven people shared the championship and it took months to organise a re-run.

Reverting to the Phillips and Drew Kings, a grandmaster who few will expect to finish at the top but who is sure to provide lively tactical chess, is the Hungarian Gyula Sax. His enterprising style won this game

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Catalogues for further Sales of Coins and Medals to be held in the Summer season are now in course of preparation. Collectors desirous of selling should contact GLENDININGS at CO, promptly.

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No. 412

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Far more limited in their variety are the tomb figures of the earlier Wei Dynasty (424-550 A.D.). These are normally in unglazed dark grey pottery and were originally painted. The modelling, however, is often superb, and the severity of the facial expressions matches the military nature of many of the figures such as the soldier illustrated below.



Grey pottery figure of an archer, Wei Dynasty. 7th. high

This is one of the earlier items in the Montague Meyer collection, to be sold on Monday, April 14. The collection was formed mainly in the late 1940's and '50's and it reflects the taste of this period and the inter-war period in having very little blue and white porcelain, but a large number of monochromes including sixty items of Jun yao, a lavender-glazed ware produced mainly in the Song (960-1280) and Yuan (1280-1368) Dynasties.

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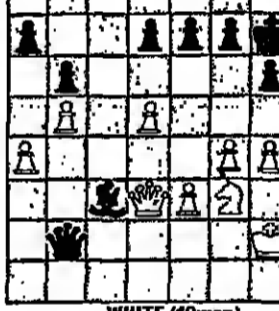
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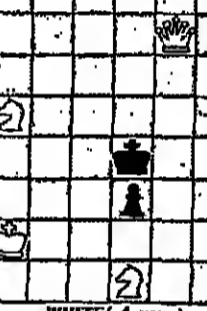
POSITION No. 314

BLACK (10 men)



PROBLEM No. 314

BLACK (2 men)



WHITE (10 men)

Ivkov v. Larsen, Buenos Aires 1979. White (to move) is in check; should he play (a) 1 K-B1 or (b) 1 K-N3? Grandmaster Ivkov failed to solve this puzzle.

Bent Larsen, the Danish grandmaster, will be among the favourites for the Phillips and

WHITE (4 men)

Drew Kings which opens at the GLC's County Hall on Thursday (daily play 1.15-6.15 from April 10-25, except 14, 19 and 24).

White mates in three moves at latest, against any defence (by H. Mattsson).

Solutions Page 10

Reformed character

RACING

DOMINIC WIGAN

FOLLOWING TWO days without flat racing, it seems probable that this afternoon's meetings at Kempton, Haydock and Newcastle will attract bumper holiday crowds, particularly if the weather holds good.

The Sunbury course, in particular, seems assured of a good attendance for there the £10,000 add-on Rosebery Stakes is followed by valuable sporting events in the Easter Stakes and the Queen's Prize, both of which boast £5,000 added prizes.

Although the Rosebery Stakes is almost invariably a closely fought affair (a year ago Proven proved just too strong for Better Blessed) by far the most interesting race with an eye to the future is, surely, won 12 months ago by Man Of Vision (subsequently sold to Japan as a stallion for £250,000) several colts with classic potential will be out to underline their Newmarket, Curragh and Epsom prospects.

Poyle Crusher, without the Two Thousand Guineas engagement, is clearly not one to rule out here following his comfortable victory over Cyprus Sky in Salisbury's Two Thousand Guineas Trial Stakes. Nor can the chances of the Solario and Acomb Stakes winners, Rankine and Master Willie be neglected. However, for the winner I intend turning to that one-time unreliable individual, Millbank. Rated by Ian Balding as King-clear's best prospect since Mill Reef in the early part of last season, Millbank proved a moody customer after slamming Heavenly Ruler by a wide margin in a modest event on the July Course in August. Since being gelded, however,

this hay half-brother by Mill Reef to America's outstanding three-year-old of 1969, Arts And Letters, has it seems, turned over a new leaf. That was certainly the impression at Leicester 12 days ago. There, Millbank, perfectly happy to settle in behind Lawrence-Lee and market rival, Dragon's Head, eased his way into the lead approaching the distance and quickly asserted overwhelming superiority.

With better ground in his favour, this afternoon, Millbank can follow up by outpacing two well-thought-of newcomers, Last Wandango and Vaguely Tender. The first-named, a colt by Gay Pandango out of Welsh Game, is another chestnut running in the colours of Tap On Wood's owner, Mr. A. D. Sheehy, while, as his name might suggest, Vaguely Tender is a son of that outstanding sire, Vaguely Noble.

No one has their string in better form at present than Paul Cole, whose first four runners all proved successful and it could well be that Noble Heir will add to the Lamhoun trainer's tally with a win in the Queen's Prize. Although not successful in six attempts last season following a runaway victory in handicap company at Newmarket in Nov. Noble Heir subsequently maintained his form with some creditable placed efforts. He seems far from harshly treated with 8 st here.

SELECTIONS

KEMPTON

1.30-Akram

2.00-Handsome Kid

2.30-Millbank

3.00-Noble Heir

3.30-Habit

4.00-Another Generation

HAYDOCK

2.00-Cyclonic

2.30-Vesley

3.00-Prince Warren

3.30-Major Gundry

4.00-About Turn

4.30-Murillo

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I doubt if any opera house in Europe has the right to be

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beg a ticket.

Alan Blyth, Daily Telegraph

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FINANCIAL TIMES

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Saturday April 5 1980

A pause for reflection

IT IS a pleasant custom to greet public holidays with cheerily philosophical thoughts on the state of the world. This year it is a little difficult to put on the usual performance. It is true that even recession has its comic sides—the City has been a positive factory of jokes about the unfortunate Mr. Nelson Bunker Hunt in the past few days. But such relief is few; on the whole we find ourselves driven into the position of the Kentucky front-porch philosopher who remarked: "I can count my blessings on the fingers of one finger."

The good news is that the Government is clearly making some headway in establishing support, or at least acquiescence, for its strategies. The Budget was received astonishingly calmly, despite the proposals to cut some forms of welfare support in real terms for the first time. Sir Geoffrey Howe does seem to have convinced many of his potential critics of the need for austerity despite the threat of recession, and that he has achieved a fair balance of misery. It remains to be seen how far his long-term strategy against inflation has affected expectations—which is the crucial test if the adjustment is to be achieved without unnecessary pain. All the same, Sir Geoffrey has gone a good way to silence Conservative complaints that the Government was not presenting its policies persuasively.

Meanwhile, the workers at British Leyland showed little more taste for striking on behalf of their shop-stewards generally than they had shown earlier in defence of Mr. Derek Robinson. For the time being, they are prepared to work with a settlement which has been imposed after negotiations failed. If indeed responsible financial management can spread such realism—and the next test will come on the railways—then the Government's strategy will have achieved one of its basic aims.

Trickle

That strategy has so far had a very muted reception in the City. The gilt market has managed, it is true, to muster a subdued welcome for a financial plan which, if it is achieved, reduce new issues to a trickle within three years. The reasons are partly technical—money remains tight and the Bank of England has felt it necessary to give substantial further help to the market—but much more the product of genuine doubt.

Analysts have concluded that the plans for reduced borrowing not only depend excessively on higher charges for services and nationalised industry products, but may be very difficult to achieve. The gloomy details elicited from officials under remarkable searching questioning

from the Treasury Committee of the House of Commons have raised further doubts. As one broker has argued in detail, the "conservative" 1 per cent growth projection could turn out over-optimistic.

The Government's ace in the hole may well prove to be oil revenue: for if OPEC proves willing to stick to the aggressive policy of price rises and production cuts which was carried a round further this week, the official revenue projections will prove remarkably cautious.

The rising real value of oil also helps to explain the very firm performance of sterling against all currencies except the dollar in recent weeks, despite the fact London has been virtually the only centre in which interest rates have been held down rather than pushed up. The reserve figures for March provide strong confirmation. While traditionally hard currencies have been supported UK reserves actually rose

Realism

All this suggests that when interest rates overseas have turned or at least stabilised, it should be possible for British interest rates to ease without provoking a flight of capital. Indeed, the Treasury's unspoken hope appears to be that an easing of interest rates will be the main way in which the Budget strategy will relieve the pressure on manufacturing industry.

The need for a credit renegotiation at Stone Platt is the clearest sign so far of the strains likely to be imposed by a long period of excessive realising. The appearance of realistic company accounts, now that the profession has at last agreed on the rules after the years of hickering provoked by the ill-fated Sandilands Report, will show up the other ravages of inflation on the company sector. However, there is no point in the escapism represented by historic cost accounting. Accounts will now play their part in the generalised realism which is our main hope for recovery.

Indeed, if one could take a purely insular point of view, one might conclude that there is a silver lining to most of the visible clouds. Our problems are becoming clearly visible; and thanks to North Sea oil they no longer look quite insurmountable. Unfortunately the strength of real oil prices, while it is a sense good news for us, is badly a disruptive news for nearly everyone else.

Indeed, the problems of imbalance and recycling are in important senses starkly against a background of belated monetary responsibility than they were in the make-believe world of unlimited credit. But these are not problems to contemplate at Easter.

STRANGELY the simple basic problems of human living are the ones that mankind finds hardest to solve—the common cold, the balancing of income and outgoings, and the question of in-laws and holiday times. Of these it is the last mentioned which probably reveals the greatest intractability. Each time a holiday period nears so the agony grows. "Well, is it your mother or mine?"

As Easter this year has approached so Anne and Peter have debated the issue, torn between conscience, affection, a love of beaith and home and a growing awareness that spring throws up so many other calls on time. Easter, as a result, is likely to be a miserable of mothers and motor cars.

Amid all this Peter would have approached the annual review of family finances with a little more enthusiasm if it were not for the added irritation of Anne's increasing political haughtiness. Lately she has grown inclined to comment on any sign of distress at the family's parlous financial state with remarks about her having voted Liberal anyway.

Students of the somewhat erratic family fortunes of Anne and Peter will know that the couple moved to Guildford some time ago after several happy years in Sevenoaks. They own a between-the-wars bouse of indeterminate character and housing a modest garden. Its greatest asset, they now realise is that it needed a relatively low mortgage—£10,000.

There was a time when Anne could consider, and occasionally take up, part-time work to supplement income when things were particularly tight. Now such additional work is increasingly difficult to find and it looks as if, unless she is prepared to consider a full-time career, the family is going to have to look to Peter entirely. The "temporary" arrangement entered into with IOWs to help with the keeping of son Mark at Sevenoaks School as a boarder now has the air of permanence about it. There is no way that the couple could possibly run to the fees and other costs, in spite of the fact that Jane, Mark's younger sister, is being more modestly educated at a local State day school.

Now in his mid-40s, Peter has done, by his own standards, neither well nor badly in his career. He makes somewhat more than £12,000 a year, the actual amount varying thanks to assorted commissions, and he has escaped the worst of corporate axes.

Peter works in the City, as a middle bracket manager for the headquarters organisation of a major industrial company. In recent months the chill winds of economy have swept through the building. Peter can no longer invite casual contacts to lunch, and finds himself entertained less frequently. This has thrown a slightly heavier burden on his own spending, and driven him with increasing

Arthur Sandles returns to Anne and Peter and their struggle for financial survival.



regularity into the company's subsidised dining rooms.

There has been a period of considerable retrenchment within his company but Peter, having survived the worst of it, now reckons himself fairly secure from any more that is to come. He remains, however, fairly pessimistic about his future earnings prospects. When being honest with himself he admits to having reached his earnings plateau. None the less, he has fared rather better during the past year or so than he would have believed possible, so things may yet take a further turn for the better.

Having a tough nut for a divisional manager secured a more favourable pay rise last year than Peter expected. In exchange for shedding staff the division saw slightly increased pay scales. Another windfall, and a remarkable one considering the way interest rates have gone, was the fact that the company at last agreed to buying Peter's season ticket for him, deducting the cost from his pay cheque monthly. It is for this reason that the travel section of the family budget appears to have moved by such small proportions.

Not that poverty is the first word that springs to mind when you enter the family kitchen. An initial impression is of a well stocked electricity board showroom. The couple have a long term dream of reconstructing the kitchen and even have the cash put on one side to do the work. However, although they have now invested in a dishwasher and a new tumble

drier, both pieces of kitchen hardware stand un-installed beside their old washing machine awaiting a solution to the problem of finding builders. Peter, who is threatening to do the work himself, reckons the knock-down kitchen units required for the job at about £750, and quotes for installation from the bill to anything from £1,200 to nearly £3,000. Getting the quotes, however, is proving an easier task than getting the job started or finding samples of previous work to examine.

The new kitchen is probably a dream they should put to one side for the moment, but to some extent the pace of inflation is such that they are being encouraged to spend.

Clearly the hardest single blow during the past few months has been the increase in the mortgage rate, about which the couple feel they have no control. There is no point to any suggestions about moving to a smaller house, the housing market is hardly healthy at the moment.

Housekeeping costs have risen rapidly, but at least here there is room for economy. Anne's £220 a month covers not only food and basic domestic necessities, but also an allowance for herself and minor items of children's clothing. As for most of the items on the budget, the lines are difficult to define. As the children grow older their pocket money is being increased and the task of buying underwear, socks and tights is being passed on to them. A slow cooker (crockpot) which came as a Christmas present last year

Their thoughts are down to earth—even on growing their own food

THE FAMILY BUDGET

	£ PER MONTH	IS
Housekeeping	195.00	220.00
Mortgage	104.50	129.00
Rates	18.33	22.59
Education	50.00	55.00
Clothing	42.00	45.00
Car	70.00	70.00
Holiday	45.00	55.00*
Heating/Cooking	21.00	30.00
Electricity	10.00	12.50
Insurance	15.00	15.00
Telephone	12.50	16.00
Season ticket	53.50	55.66
Allowance	44.00	52.00
Misc. (water rates, garden, children's pocket money, entertainment)	47.00	57.00
TOTAL	727.88	834.75
INCOME (monthly net)	681.62	790.00
BALANCE	-46.26	-44.75

*Some items are by nature fluid—adjusted according to present ability to pay. Holidays are the largest such squeezable item.

has proved a useful turner of chicken and cheaper red meat cuts into good casseroles. It is a beast which might be even more useful if young Jane were not moving into the raw vegetable and brown rice phase of nutritional theory.

The £55 included in the budget for education has nothing to do with fees which are now looked after by grandparents. It is to cover additional costs for both children and for school visits abroad.

Anne and Peter are less worried about that item than about the thorny question of the family car. Their Chevrolet has given occasional, but not serious, trouble over the past year and Peter did in the end have to buy new tyres in order to get a new MOT certificate for the 1976 (early) vehicle. The car has still only done a little over 30,000 miles so little do the couple drive, but they have a sneaking worry about the cost of replacing the car when the time comes. In their costing of the car they made nothing like the allowance for depreciation that they should.

This year has also been one of shocks for the couple in three crucial areas of heating, electricity and telephone bills where the family have been relatively modest consumers until recently. Anne's father's illness has meant a great deal more time on the telephone. Both Jane and Mark (when he is at home) are seeking more privacy and the whole house is being more widely used.

The children, a teenager and a sub-teen, are entering an age when expenses mount. Neither

is remotely on the outer fringes of the punk culture but both are enthusiastic about what their parents agree to call music. Jane is amassing a collection of tapes, mostly by the illegal method of passing records around, and is an enthusiastic attendee of disco parties. Mark is much more of a sports fan and, to his father's despair, showed an impressive ability as a first timer on skis when he went with some school friends to the Alps recently.

The dilemma most parents feel in agonising over what is deprivation and what is over-indulgence is one shared by Anne and Peter. Jane will tomorrow be delivered to Newhaven, for example, to be picked up in Dieppe by parents of a Rouen pen-friend. An extravagance? Not, thinks Anne, if such an excursion improves the child's appalling current grasp of the French language.

This willingness perhaps to spend more than is wise on the children does not, however, extend to the area of clothing, where both Anne and Peter have something of a blind spot. The children are becoming clothes-conscious, but are certainly not being encouraged in their enthusiasm.

Perhaps it is the additional warmth of the house, but one pleasant side effect seems to be that Peter's tomatoes are coming on apace. Seeds planted in a plastic bowl and placed on the window ledge about a month ago have now sprouted into sturdy plants. Peter will encourage them further and may this weekend add some beans to the collection. Last

year such early season enthusiasm went a little too far and the seedlings were taken outside just in time for the late frosts, and the whole process had to be restarted. This time Peter is determined to avoid the humiliation of paying 10p-20p each for plants of indeterminate breeding.

Peter has high hopes of keeping his overall gardening costs down this summer. The lawn-mower, for the moment, seems to be in working order, and the roses have survived the winter even if Anne's favourite fuchsia has not (more thanks to the attentions of a neighbour's cat than to the severity of the Guildford climate).

The couple are entertaining and being entertained much less frequently than was the case four or five years ago. There has been a general swing in pre-dinner drinking to wines—but perhaps this is simply a Surrey phenomenon—and the food itself is tending to be lighter and less expensive.

Eating out is something the two do rarely these days. The £15 to £25 that a fairly modest festive evening out costs these days would take half the monthly miscellaneous allowance. Although they still go to the theatre and cinema a great deal, probably far more than any of their friends, the event is usually accompanied by a snack rather than anything over soft light and wine bottles.

Holidays are a thorny subject thanks largely to the age of the children. Anne and Peter think that while both Mark and Jane get enough diversion with their school trips, they are not old enough to be left in the house alone for a couple of weeks. They are working on a scheme for later in the year for Jane to stay with friends while Mark is at school, leaving them free to take their first holiday alone since they became parents.

What started out as a vague idea has now taken on the dimension of a full-blown pre-occupation. It was with dreams of this trip together at the back of their minds that the couple began assembling their thoughts and paperwork earlier this week for the annual assault on their family accounts. It is never a pleasant task, but this year Peter approached it with a touch of levity. The morning had dawned bright and there was a hint of spring in the air. The thought of preparing a patch of ground in the corner of the garden for the beans was an appealing one, particularly if it meant working off that inch or two of winter flesh which had somehow crept up on him recently.

Such light-heartedness was soon, however, to be dispelled. Even more important than the accounts, or even the bean patch, was the question of the in-laws. Promises so airily given a few weeks earlier were now being called in. The garden might have to wait, for Easter looks like being what it so often is—a tour of the mothers.

Letters to the Editor

Exchanges

From Mr. F. Low.

Sir—Your comments on "Recruits for Whitehall" were most apt and welcome. The appointment of a senior civil servant from the Department of Industry to take a top job in one of our most successful and well managed companies is surely a condemnation of the view held by those who are heard to say that they would not allow our civil servants to "run a wheel stall."

I have always been appalled by this attitude and over many years now have pleaded for a more frequent exchange of personnel between civil service and industry.

The expertise of a civil servant is one we could often do with in industry, and an equally sure the civil service is anxious to learn from private industry.

I believe a man who is intellectually and temperamentally suited to "fight his way to the top in the civil service" can and should do equally well in the business world.

Drive and ambition, a sense of purpose and integrity are traits of character not only confined to industry and the more we encourage these exchanges and avoid making it difficult for either side to switch, the better we should function as an industrial nation.

F. S. Low, 61 Cadogan Square, SW1.

Businesses

From Mr. W. Shepherd.

Sir—On March 27 you published an excellent article by John Elliott upon the Chancellor's Budget proposals for "small businesses." But I wonder if your readers will be aware of a hidden threat to the establishment of "small businesses" that is contained in Clause 59 of the Local Government Planning and Land Bill now in Committee stage.

One of the accepted difficulties "small businesses" have in getting started is the dearth of accommodation. Many local authorities have assisted in the

provision of "small industrial units" by agreeing to take leases of such developments built by entrepreneurs who require a pre-let situation to one good covenant free from the risks of voids, arrears and "management difficulties." Clause 59 seeks to prevent LAs from evading financial controls by penalising those who get premises built through leasing arrangements. This may be thought very laudable when the accommodation is required for council's own needs, but where industrial premises are being provided for sub-letting in small firms the application of the clause would appear counter-productive.

Good work is being done in trying to get Mr. Heseltine to mitigate the adverse effects this clause is likely to have on the provision of "small units." And it is no use him thinking their building can be left to the private sector alone. The latter usually, very reasonably, demand "partnership" with the LA when "small units" are involved. It is to be hoped the Bill will be amended before the threatened damage occurs.

W. J. H. Sheppard, (Hon. Valuer to the Inner London Consultative and Employment Group.) 2, The Albany, Woodford Green, Essex.

Liberals

From Andrew Hertz.

Sir—Mr. John Elliott's article about small businesses (March 31) was very informative, but he forgot to mention that foremost among the factors which led Mr. Callaghan to champion the cause of small businesses was the pressure put on him by the Parliamentary Liberal Party during the Lib-Lab Pact. It is no coincidence that, as Mr. Elliott says, it was in the middle of 1977 that Harold Lever was appointed Minister responsible for co-ordinating policies on small businesses. Indeed, speaking of his own appointment, Mr. Lever said on November 23, 1977: "I think it will be only right to say that one of the parties that took a very

strong initiative in this were the Liberal Party—not my own Party, but the Liberal Party." Andrew Hertz, Parliamentary Assistant Liberal Whip's Office, House of Commons, SW1.

Trustees

From Mr. T. Shucksmith.

Sir—Eric Short (March 26) overlooked a number of existing powerful checks on the proper funding of pension schemes.

As a condition of approval by the Inland Revenue the trustees of schemes must obtain an actuarial report every 5 years (3 years if contracted-out). This is supplementary to the ordinary duty of pension scheme trustees to see that schemes are properly funded. If a sponsoring company is unwilling to pay the proper contributions, then according to the rules of most schemes the trustees should wind-up the scheme. All members and beneficiaries under pension schemes have a legal right to relevant information concerning the trust, which must include the actuary's report. In an extreme case I suggest the trustees would have a duty to consider and possibly pay for an actuarial opinion instigated by members.

These provisions of the law are powerful and should be adequate provided that the trustees and the actuary to a scheme do not bend to unreasonable pressure from an employer. The situation is not analogous to an insurance company, where apart from the Department of Trade there is no independent person with responsibility for solvency.

Where there is a need for information in the interest of shareholders in the area of company accounts, there is no unique answer to the proper funding of pension schemes and the differences between assets held in similar schemes of similar companies could be a large fraction of their market capitalisations. Equity investors have at present very great difficulty in establishing and interpreting the facts.

Tom Shucksmith, Rogueshrone, Blackborough Road, Reigate, Surrey.

Shipbuilding

From Mr. A. Shaw.

Sir—I as your leader (March 31) we hear again of the profitable naval yards.

The profitability of these yards is obtained via contracts either with the Ministry of Defence or overseas navies. The former are financed by British taxpayers' money. The latter have virtually dried up since nationalisation. With the new management let us hope that more profitable overseas naval contracts are obtained.

Alternatively, some of the arguments being forwarded fall apart. Andrew Shaw (Former chairman and chief executive, Vosper Thornycroft), Com Cotlogh Shedfield, Southampton, Hants.

Newcastle

From the Leader of the Council, City of Newcastle upon Tyne.

Sir—The article on Newcastle's financial problems was reasonably well balanced but I cannot let pass unchallenged the assertion that "there is little evidence of any real effort in Newcastle to examine the efficiency of the education or any other department." The city Council has strengthened its internal audit team and undertaken a systematic review of all areas where unit costs appear to be higher than the average, including the cost of providing school meals singled out by your correspondent for particular mention. We shall in the very near future be discussing with the relevant trade unions proposals for revising the bonus scheme and achieving greater efficiency in the typing service. We have included within our contingency provision an estimate for economies resulting from greater efficiency and have repeatedly invited opposition members of the council to identify areas for

investigation; so far there has been no response.

The council is on record as having determined to ensure greater value for money and we have under previous Labour administrations set up a central purchasing department and a fuel efficiency service which have saved the authority millions of pounds over the years. In the controversial construction field where we have been very badly let down by builders and sometimes consultants we are strengthening the element of site supervision and inspection.

There are clearly savings to be made and Newcastle, if humanely possible, will make them; it would be folly to believe that in themselves these savings could make a significant impact on the rate level. We have high rates because we have great needs and because the operation of the rate support grant system has failed to match the recognition of those needs which the city's status as a partnership authority has under the urban programme would suggest.

(Cllr.) Jeremy Beecham, Civic Centre, Newcastle upon Tyne.

Customs

From Mr. J. Holland.

Sir—Sir Douglas Lovelock (March 26) confuses the issue. It is not at all complex. About 6,000 people are employed on totally unproductive VAT work at a cost to the taxpayer of over £200m a year. This is a simple fact.

The VAT working party report is the supreme example of the way in which the truth has been hidden. Unfortunately the working party had to rely upon information supplied to it by Customs and Excise. The report which was based on it was, therefore, valueless. Its only use has been as a screen behind which Customs and Excise could hide.

Sceptics who consider that public servants do not act in such a manner are invited to

consider the following. "Suitable statistics" were "not available" of the number of transactions which would be simplified if VAT were eliminated between registered traders. In fact C and E statistics, simple arithmetic and common sense show it to be about 90 per cent. Scope for abuse was said to be increased. It would be diminished. The working party was told that both C and E and retailers would have more work to do in respect of retail sales. Actually in the case of the former it would stay the same while the retailer's burden would be reduced. Almost all the 31 paragraphs in the "objective" report contain similar examples of misleading information.

It is true that the same type of VAT administration is common throughout the EEC. If other countries are happy to see their resources wasted by squandering-inflicted bureaucrats there is no reason why we should blindly follow them when the remedy is simple and catered for in existing EEC law. Butter mountains and wine lakes are enough without having to suffer from civil servant swarms.

Strong evidence of serious VAT misadministration exists. When will the Government examine it and consequently make savings where they should be made—in Whitehall not in the nation's classrooms? J. C. Holland, 29-31, Moorland Road, Burslem, Stoke-on-Trent.

Franking

From the Managing Director, House Information Services.

Sir—Can somebody explain why it is that postal franking machines so widely used today by businesses carry an unusable reserve of 29? This must amount to a very large interest-free loan from industry to the Post Office and I cannot see how it can be justified.

Alexander Barrie, 1 Cresswell Park, Blackheath, SE3.

The secret of Tamdhu.

Tamdhu, distilled in the Golden Triangle area of malt distilleries, is a premium Speyside malt whisky which has that freshness that is so reminiscent of the Highlands.

THE HIGHLAND DISTILLERIES COMPANY LTD.



Bristol: a multiracial riot against the police

ON THURSDAY night, the regular clientele of Bristol's Black and White cafe were relaxing as usual over games of dominoes, ludo and pinball machines to the sound of reggae. A news report of the happenings of the previous 24 hours, on the television in the corner, went largely unnoticed. By yesterday, there was total calm. And only a few policemen were in evidence.

It was just after lunch last Wednesday that the police made a routine raid on the cafe, well-known to the Jamaican community in the St. Paul's area of the city. They arrived to investigate drugs and licensing law infringements.

Nine hours later, a bank and post office stood gutted, more than a dozen shops were smashed and looted and 12 police cars were seriously damaged, most by being set on fire. In the worst communal violence experienced in Bristol in living memory.

Arrested

The toll of injuries included 21 policemen, three firemen and nine civilians. Twenty-one people were arrested, many of whom were later charged with looting.

The next morning, as council workmen moved in to clear up the debris of bricks, stones, slates, broken bottles and smashed shop fronts, the mood of violence had disappeared as quickly as it had flared up. Admittedly, there was a strong show of force with lots of policemen posted every few yards and large crowds, mainly of young blacks.

But they were standing around talking in the warm spring sunshine in a mood of curiosity rather than of resentment. The rest of the St. Paul's community was going about its business normally.

Precisely what triggered the extraordinary outburst of communal violence is now the

subject of an internal police inquiry and, superficially, the evidence suggests it was simply a policing operation that went wrong.

According to Mr. Brian Weigh, the Chief Constable, 12 officers were involved in the initial raid on the Black and White cafe. Crowds quickly emerged from the surrounding houses in an angry mood. The police then tried to cordon off the road to await reinforcements. The swelling crowd became further enraged by the use of police batons and the 80 police officers drafted into the area found themselves hopelessly outnumbered. Soon, police cars were being overturned and set on fire and the police had to shield themselves with dustbin lids and crates from the barrage of flying debris.

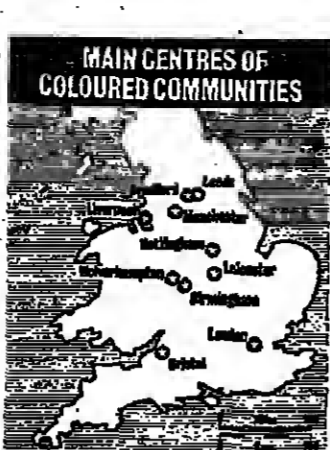
Faced with what Mr. Donald Smith, the Deputy Chief Constable, described as the most frightening riot he had ever seen the police withdrew.

Crucially, five hours elapsed before they moved back into the area, heavily reinforced by contingents of police drawn from all over the South-West. It was evidently during this intervening period that much of the damaged property and looting of shops occurred.

Justifying his decision to pull out as the violence grew, the Chief Constable said: "The situation was so critical that there would have been serious bloodshed and somebody might have been killed had we stayed. I thought if we moved out of the area temporarily it would calm the situation." With the return of the police, control was quickly re-established.

But the pattern of events does not explain the underlying reasons for the riots. Everyone who witnessed the violence from the Chief Constable to ordinary members of the public, agrees it was not a race riot.

"It was the kind of rebellion you can expect against authority that is insensitive to the needs of some of the people. It was a very multiracial riot, all against



THE VIOLENCE which erupted onto the streets of Bristol on Wednesday night with battles between police and young West Indians and the looting and burning of cars and buildings came almost exactly a year after the Southall race riot in which one man died and scores of police and demonstrators were injured.

"The people of this country need to realise that there are second and third generation blacks who are not going to be pushed around," according to a young black in a radio interview.

And perhaps most telling is

the comment of a young white: "It's nothing racial. We are just fed up with the police."

Indeed, young whites were jolting in the stoning of the police as enthusiastically as blacks. White bystanders insist they did not at any time feel threatened because of the colour of their skin. And the following day, there were no tell-tale signs of racial tension.

St. Paul's has a high black population but it remains very much a mixed working-class community, typical of inner city areas in many other parts of the country where immigrants tend to settle. It has a very good history of community relations, as does Bristol generally.

That said, there was clearly a racial undertone in that many younger members of the black community feel, rightly or wrongly, that they are the victims of regular police harassment. A significant number in the area are Rastafarians, the Jamaican religious cult, for

whom smoking ganja, a form of marijuana, is part of their religion.

But by present-day standards, St. Paul's has not suffered from woeful neglect. Since local government reorganisation in 1974 the council has spent over £10m in the St. Paul's area on building new housing units and green spaces, buying up and refurbishing older dwellings, and encouraging the local people to become owner occupiers. Housing associations have also been active in improving more than 200 properties in the area.

Recreation

Mr. John McLaren, secretary of the ruling Labour group on Bristol City Council, says more could be done to provide recreation and open space facilities. But he sees the provision of work for young blacks in particular as probably the most important requirement.

The number of unemployed in Bristol itself totals just over

7,000, which is 5.4 per cent of the working population and around the national average. But it is inevitably concentrated among the young black population who do significantly worse at school and then find it more difficult than others to get work when they leave.

Better police preparedness may ensure there is no repetition of this week's explosion. But the Government's cutback in job creation schemes and the recessionary economic climate generally is clearly not going to make it easier to tackle what seems to have been the root of the violence—the frustration and alienation of unemployed young people concentrated in an inner city area.

As Mr. David Lane, chairman of the Commission for Racial Equality, put it after visiting the area: "Bristol should shock and shake us out of any complacency. What happened here could happen in other towns and cities."

Robin Reeves



Police dogs being used to help clear the St. Paul's area of Bristol during Wednesday's riot.

Inner-city decay at root of conflict

THE VIOLENCE which erupted onto the streets of Bristol on Wednesday night with battles between police and young West Indians and the looting and burning of cars and buildings came almost exactly a year after the Southall race riot in which one man died and scores of police and demonstrators were injured.

As in Southall, attention has been focused on the deteriorating relationship between young blacks and police. However to some the increasing tension between immigrant communities and police officers is a symptom of a much more deep-rooted disease which has its origins in the economic and social decay of inner city areas over the past two decades.

A major bone of contention between immigrant commu-

ties and the police is the implementation of the "sus" law which states: "Every suspected person frequenting any street with intent to commit an arrestable offence shall be deemed a rogue and a vagabond."

It gives the police wide powers for arrest and detention but community leaders claim that it has been used indiscriminately against coloured youngsters, who because of high unemployment problems can often be found hanging around the streets of areas like Brixton in London.

According to figures produced by the Metropolitan Police, 43 per cent of the 1,894 people proceeded against under the "sus" law last year were of West Indian, African, Indian or Pakistani origin—the vast majority of these being West Indian.

The Commission for Racial Equality says that the percentage of black people arrested is vastly disproportionate to the number of immigrant families living in London.

The Commission—which in its report, *Fire the Next Time*, published last month, warned of the likelihood of further racial conflict—has also attacked the use of special patrol group officers in coloured areas.

While police chiefs are naturally reluctant to discuss racial problems to the wake of the Bristol violence, the Police Federation says that the detentions made under the "sus" law in London are not disproportionate to the number of crimes where victims describe "assaults or suspects" as being coloured.

It also defends the use of the Special Patrol Group—a volunteer force of 200 officers used to support major investigations and as a back-up for a wide range of tasks including crowd control at soccer matches and political demonstrations. The federation believes that the SPG has been unfairly singled out for criticism by trade unions and politicians of the far Left. It says that the Special Patrol Group made up only a small proportion of the 3,500 police on duty in Southall last April yet nearly all the criticism of police handling was directed at the SPG.

"It is ironic that London Transport leaders of the National Union of Railwaymen had recently called for special police patrols on tube trains following violence at Neasden

while at the same time the TUC has condemned the Special Patrol Group," said a spokesman.

At the root of the problem is the discontent felt by many young blacks who, living in depressed city areas, suffer the same multi-deprivations as other groups, such as poor whites and pensioners, but in addition also believe that they are discriminated against in terms of wages and employment.

A survey carried out by the Commission for Racial Equality in the London borough of Lewisham, a strong immigrant area, showed that young black people were likely to have a harder time finding jobs, were likely to be less well paid and in general had lower educational qualifications than their white counterparts.

The survey showed that, of all the youngsters interviewed, 29 per cent of black teenagers were unemployed compared with only 10 per cent of young white people. Blacks also took much longer to find work.

Lack of job opportunities for the young in low-wage areas has helped foment racial tension in Britain's major cities. Housing in inner cities is traditionally of very low quality and the tendency of large families in immigrant communities has added to problems of overcrowding and racial discontent.

The Commission says that tackling the problem of urban decay must be one of the "highest priorities of the policy makers" if racial conflict is not to approach the scale seen in U.S. cities in the past.

Andrew Taylor

Weekend Brief

Mining for the past

"A cherished idea of mine is to have a hole in the road. When you look down our hole you'll see traces of medieval sewers, wooden water mains. You'll begin to realise the history of the town is down that hole."

The speaker was Frank Atkinson, director of the North of England Open Air Museum at Beamish Hall, an estate midway between Newcastle upon Tyne and Durham. Beamish—the name he prefers—is Atkinson's branch. He's trying to recapture what life was like for the Georgians when the north-east was in its industrial heyday.

"I can't imagine it in the south-east—it hasn't got the homogeneity."

There'll be no hole to welcome the first big surge of visitors of the year this weekend. But other reconstructions of the 200-acre site—advertised as "a day out on less than a gallon" last year held 200,000 visitors for 30 days.

They include a stone railway, called Rowley, reconstructed so perfectly that visitors sometimes say "weren't we lucky to start with a railway? Five years ago it was a barren field. Today a green steam engine called Rowley chugs over a few miles of track under the control of a signaller, signalling system restored down to the last detail. Atkinson found an old signaller who had once operated the Rowley signal box.

He could find only one flaw—a hole beneath which he once hid his sandwiches no longer stood up. It shall be put right, Atkinson reassured him.

Beamish is a bit like the story of Swiss Family Robinson. Whatever we want we find. They found coal, and this year a new attraction will be a reconstructed coalmine, steam-wound, vintage 1913—the year of peak production for British coal. Last year they discovered a peat bed.

Plans are shaping up for a 30-acre farm worked entirely by horses. Already they've built a museum commemorating the sturdy northern farm horse, and restored a "gin gin" or wheel house in which four plod in a circle to turn threshing machinery. They have a herd of Durham shorthorn cattle and a handpump that returns "yeddle" or farm manure to the land.

The hole, when it comes, will be in the town, just beginning, built round a medieval market square typical of many towns of the north-east. Acquisitions still waiting their turn—and enough cash—for restoration include what they believe to be the last hand-fired gasworks in Britain. Atkinson plans to fire it on one or two days a year, for the true connoisseurs of industrial archaeology. Already, however, visitors can ride tram-

A holiday escape into times past . . . how the many clocks of Europe are at sixes and sevens this summer . . . bank alarms . . . and a shaggy sheep story



The railway at Beamish, historic finders and keepers

cars advertising "Vaux's ales in bottle" which ran in Gateshead and Sheffield about 70 years ago.

The Durham miner was once the elite among British working men. The row of pitmen's cottages rehnit near the colliery, each furnished for a different generation from about 1890, are authentic down to such details as wallpaper designs, "tin" bath, and the clock which stopped if he failed to drop in half-a-crown once a week for the insurance man. Ladies in starched aprons and bonnets bake bread and scones for visitors in ovens built into the chimneypiece.

Beamish's capital development programme needs £1m. But Liz Anderson, fund raiser for the Beamish Development Trust is full of praise for the way private enterprise in the north east, although no longer booming, is chipping in with donations: £240,000 from Bellway, a local builder, to reconstruct a 1810 Georgian terrace, and £20,000 from the Co-operative Society to rebuild an old Co-op.

Sadly, in spite of the enthusiasm of public bodies for digging up roads, none has yet offered to fund Frank Atkinson's hole in the road.

The Euro clock watchers

THE West Germans have an anxious eye on the calendar these days, as they make the countdown to summer time on April 6. Making the change-over for the first time since the early postwar years, they are drawing up elaborate plans to deal with the minute problems involved in tampering with the clocks.

logical rectitude, Telefonbau und Normalzeit, has marshalled 600 men to adjust all the clocks which it services, including church tower clocks and factory clocks. The workmen must go to 46,000 central clock mechanisms throughout the country—controlling a quarter of a million clocks—and advance the time an hour by giving 60 one-minute impulses.

In a country where punctuality and precision are virtues, the timekeepers have announced defensively that they will not be able to make the change-over on the dot of 2 am as decreed. Some clocks will remain an hour behind for as long as a week.

But having set their minds to the task, the Germans are determined eventually to get it down to an instantaneous fine art. Telefonbau und Normalzeit plan to introduce equipment to make a smoother adjustment possible in future.

One device will enable service engineers to programme summer time into central clock mechanisms well before the deadline. With another type of equipment, clocks can be adjusted by means of a radio signal. The Germans are hoping to export such equipment to countries which have been wrestling for years with the complexities of summer time.

The West Germans resisted joining summer time until Communist East Germany also agreed to change its clocks this year. Now almost all of Europe will be on summer time—the notable exceptions being Switzerland and Yugoslavia.

But the synchronisation is hazy. Britain and Ireland switched on March 16, while most Continental countries will change over with West Germany on April 6. Summer time ends in Britain on October 26 but in West Germany and some other European countries on September 28.

The Germans town on this Zeit-mash, describing it as a Zeitgeist (time salad).

Bank on it no more

Question: When is a bank not necessarily a bank? Answer: When the Bank of England says it's not.

This is actually less a teaser than it may seem. A few days ago the Bank of England published for the first time an official list of recognised banks in the UK and those candidates still under consideration.

The criteria embodied in the Banking Act 1979 are not enormously clear, but one thing is certain. It will no longer be possible to just hang a shingle outside the door which contains the word Bank and then wait for customers. In fact, after October, it will be unlawful to do so.

Among the scores of "recognised banks" listed by the Bank of England there were old favourites such as Barclays, Lloyds and National Westminster. There was also the less than famous Złotyoska Bank National Corporation.

Meanwhile, there is an equally long list of institutions whose applications are still being considered. Among these "not yet quite there" organisations were the popular Afghan National Bank, the Baptist Union Corporation, the People's Bank and the Thai Farmers Bank. All await the word from the Bank of England, some less patiently than others.

One group waiting for formal recognition, the Bank of Credit and Commerce International, has already mentioned the possibility of appealing to the EEC if it is not approved.

But there will be other consequences of the new listing. For the humble little Bureau de Change operations which pepper London streets, the long hand of officialdom cannot be avoided. According to the Banking Act,

the currency changers and cheque cashers will have to dismantle the signs which read Bank before October. Any later and they will be breaking the law.

Mr. Andrew Platt, the manager of five such outfits with names like Late Cash Ltd. and Seven-Day Change Ltd. said that he would stick by Bank of England rules.

"Quite obviously we're going to have to change our signs. But we're still hoping to have the word Bank up there in context. I guess we'll just use smaller lettering," he said.

A tale of ewes and cues

British farmers who are scratching their heads and wondering what to do with the surplus sheep now the French are turning them back may care to take a line from their New Zealand counterparts.

Faced with the threat of a declining international demand for dead sheep two enterprising Kiwi sheep growers and shearers have decided to keep their flock alive. No, not for the wool, nor indeed for breeding. The sheep have been given a new lease of life in the interests of entertainment. Brothers Godfrey and Ivan Bowen, both in their day world champion shearers, have put their sheep on the stage and the act is currently hogging all the headlines as New Zealand's fastest-growing tourist attraction.

Last year more than 4m tourists (at £1 a head) saw The Performing Sheep go through their routine on stage at the Rotura Agrodome, a purpose-built auditorium which holds around 450 spectators for each one-hour show.

"At the height of the season we were doing six shows a day," said box office manager Irwin Foote, a retired Rotura banker. "On our best day so far this year we sold 2,800 tickets. Eighty per cent of those were overseas visitors—Australians, Germans and Japanese. The Japanese seem to have a particular affinity for the sheep, and during the season we do special Japanese-language shows. We also have tapes for French, German and Spanish language shows."

The shows format is fairly simple. The 20 sheep in the troupe (each is of a different breed and each has its own regal-sounding appellation, like Sultan, Prince or Rajah) are summoned by name up on to the stage. They stroll up on to the podium, take a bow, stand and sit on command, nibble away at their glucose nuts when they are told to, and smile placidly at the audience while their fellow stars follow suit.

Contributors:

David Fishlock
John Davies
Alan Friedman
Robyn Wilson

TODAY—National Union of Teachers conference opens, Winter Gardens, Blackpool.
MONDAY—President Sadat of Egypt begins four-day visit to the U.S. for talks with President Carter on Palestinian autonomy.
TUESDAY—Housing starts and completions (February). National Association of Schoolmasters—Union of Women Teachers conference, Royal Hall, Harrogate. Queen opens King Edward Court shopping centre, Windsor.
WEDNESDAY—Labour Party National Executive Committee

Economic Diary

emergency meeting on proposed one-day conference to co-ordinate fight against Government's policies. Wholesale price index (March provisional). Hire purchase and other instalment credit business (February). Retail sales (February final). Sir Michael Swann, chairman of British Broadcasting Corporation, gives Fleming Memorial lecture, Royal Institution, 21, Albemarle Street, London, 7 pm.

THURSDAY—UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-March). London clearing banks monthly statement (mid-March). Provisional figures of vehicle production (March).
FRIDAY—Building Societies' monthly figures (March). Usable steel products (March). Central Government transactions (including borrowing requirement) (March).
SATURDAY—World Disarmament Campaign Convention, Westminster Hall, London.

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AUSTIN REED

Companies and Markets

UK COMPANY NEWS

Babcock profits hit by strikes and strong round

TWO NATIONAL labour disputes and the strength of sterling have combined to halt the 10-year sequence of growth at Babcock International, formerly Babcock and Wilcox. The cost of the strikes and depressed foreign currency translations, which accounted for the diminution in 1979 pre-tax profits from £39.58m to £32.05m.

Other factors which took their toll were the fall in investment and other income from £1.89m to £0.45m and an increase in net interest payable from £0.05m to £0.33m.

Group sales of £84.9m (£77.7m) included an amount of £26.3m in respect of Keeler and Allatt since acquisition. How ever, the post-acquisition taxable profits of these two companies, which totalled £1.73m, were largely offset by interest charges on bank loans raised to fund their purchase.

A breakdown of turnover and trading profits for 1979, of £39.58m (£39.58m) of the Babcock companies shows (£900s omitted): Power £148,542 (£39,408) and £2,251 (£1,191). Contractors £151,384 (£46,315) and £4,209 (£1,164). Construction Equipment £34,578 (£45,351) and £2,289 (£4,121). Industrial and Electrical Products £73,235 (£83,370) and £4,053 (£3,691). Overseas group £175,248 (£201,497) and £2,873 (£4,835). International Inc. £275,573 (£258,579) and £20,611 (£20,071). Miscellaneous £1,111 (£1,111) and £11,000 (£11,000). Total £119,000 from trading profit, compared with income of £825,000.

At half-way the taxable profit decline was from £17.18m to £15.45m and the directors said there had been little disruption of production schedules through UK industrial action. However, they warned that if sanctions continued it might not be possible to recover loss of work, and trading results would suffer accordingly.

Sir John King, chairman, now says that notwithstanding the settlement of the steel strike, the immediate outlook is not promising. The main objective of the group in the current year is to reduce costs as far as possible, to maintain production and to solidify the strength of total business. The group started 1980 with uncompleted orders in hand totalling £306m (£287.5m).

Earnings per 25p share for 1979 declined from 25.3p to 18.7p but the net dividend is stepped up by 18.4 per cent from £8.82p to 7p with a final of 3.6p. Sir John points out that the total

payment would be covered 3.4 times by the attributable profits of £25.6m (£24.8m), which included extraordinary gains of £3.4m. These items arose from the sale of property and investments.

Tax for the year took £11.8m (£14.77m), minority profits £50,000 (£144,000) and ordinary dividend £7.55m (£6.15m).

With no improvement in the business climate anticipated in the immediate future, action was taken during the year to improve the group's competitive ability. Certain operations were re-organised and rationalised and others closed.

Expenditure on new plant and facilities totalled £26.6m of which £11.7m was incurred in the UK. In addition capital expenditure on the acquisition of new businesses amounted to £42.9m, including £40.6m for the two major purchases, Keeler and Allatt.

The group suffered a loss of £16.7m, which related entirely to the finance of additional working capital requirements in activities, including contracts, outside the UK. Aggregate borrowings increased to £62.2m (£50.2m) and £10.2m largely as a result of additional term loans totalling £36.1m, of which £30.3m was to finance the acquisition of Keeler and Allatt.

The consolidated balance sheet at December 31, 1979, shows fixed assets at £116.49m (£91.1m) and net current assets of £16.63m (£101.02m). Meeting, 116, Pall Mall, SW, on May 23 at 12.30 pm.

See Lex

Half-time loss for Wombwell

Hit by a first quarter loss in excess of £300,000, caused by the national engineering strike, for the six months to January 31, 1980 Wombwell Foundry and Engineering Co. turned round from a profit of £52,523 to a pre-tax deficit of £167,780.

However, the directors report that the company, which operates as an ironfounder and engineer, has been trading profitably since October and should recover the balance of the loss during the current year.

A same-again net interim of £374p is declared. Last year's total dividend was 1.5p from a £480,000 profit.

First half turnover totalled £3.7m (£3.5m) and profits were struck after 6pence charges of £37,755 (£26,938). After crediting tax of £84,262 (£133,341) charge and extraordinary items of £31,500 the attributable loss was £32,218 (£122,992) profit.

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See Lex

L. Ryan £87,000 in the red

AFTER associated losses of £496,000, compared with profits of £249,000, L. Ryan Holdings, plant hire contractor and coal factor, slumped from a profit of £1.37m to a pre-tax deficit of £87,000 for 1979. At mid-term the loss was £103,000 against a surplus of £36,000.

With tax taking £89,000 (£120,000) the yearly loss per share was 0.54p (earnings 3.51p) and again there is no dividend. The last payment was 0.25p net for 1974. For 1979 turnover totalled £13.1m (£4.55m).

Beckman slumps mid year

FOR the six months to December 31, 1979 pre-tax profits of A. Beckman, textile converter and merchant, slumped by £432,478 to £825,663. Turnover for the period declined from £8.68m to £7.24m.

With tax taking £337,549 against £580,140, earnings per 10p share are shown to have declined from 4.87p to 2.22p, and the interim dividend is held at 1.85p net, costing £198,640. Last year's total payment was 5.73p from profits of £122,221.

The directors report that the severe downturn in the textile and garment industry of the last six months seems to be continuing. However, the company is maintaining its market share and, in the circumstances, profitability is satisfactory. They add that they are confident the company's ability to meet any upsurge in demand when it occurs.

Christmas market Hepworth maintained its gross margin. The second half has already seen a fairly pedestrian level of trading yet Hepworth is hopeful that its interest burden should be less onerous and the full year might even show a small improvement at the pre-tax level. So at 63p the shares are standing on a prospective fully taxed p/e of around 8.3 and a yield assuming a 2.5 per cent dividend of 8.7 per cent. They look reasonably placed and there is unlikely to be much relative movement. Ideally the acquisition of Turner (footwear retailing) will be the start of a chain of diversification moves over the next few years for the menswear market does not offer exciting prospects.

toward the bottom of that band for Minet, following this week's Willis Faber figures evidencing the damage from the strong pound. Minet disappointed at the interim stage with a 30 per cent profit before tax of £4.9m. The damage is not expected to be so great at Stewart Wrightson, because the group is diversified into other fields such as ship-broking which may prove to have had a better year.

Analysts are expecting pre-tax profits of between £96m and £101m (£41m) from the Ledbrooke group, when it reports its preliminary figures next Thursday. The second half will have been depressed by the cancellations of licences on three London casinos around six weeks before the end of the year. The other activities should chip in around £25m, compared with £19m the previous year. The main growth here is from hotels, where acquisitions have been made, and from a boom season in holidays. Property should also be up and higher interest rates will pro-

duce increased investment income. One weak spot, which probably be cash betting, which suffered a very poor first quarter. Attention will focus on the dividend, which could rise by 50 per cent net from last year's 4p final.

The paper and pulp sweepstakes get underway next Thursday when Bowater reveals its preliminary figures for 1979. Although the road haulage strike and strong pound will have shaved off a few million of earnings, the group should come through with around £93m pre-tax, against £90m last year. This suggests earnings per share of 24p instead of 23.6p. The main impetus behind the profit rise will have been price increases from the group's newspaper and pulp operations.

Next week's batch of companies reporting will also include preliminary figures on Wednesday from Blackwood Hodge, Canada International and Empire Stores (Bradford) and full year results from Lead Industries on Thursday.

London Brick lower at £12.7m

FAILING to recover the ground lost in the first half, taxable profits of London Brick Company ended 1979 some £1.35m lower at £12.74m. At half-way the short-fall was £3.65m at £3.07m.

The directors said then that the immediate future was more favourable. Demand for bricks had improved and corrective action through price rises had created satisfactory margins.

Turnover for the 12 months rose by £15.5m to £125.8m. Tax absorbed £13.1m (£4.99m) but with extraordinary credits of £2.05m, against debits of £0.26m, the attributable balance advanced from £8.64m to £9.69m. The 6p dividend per 25p share is 6.66p net for a 4.36p p/e (£3.36p) total.

Bruntons slips to £1.5m

WITH the margin on turnover at 13.7 per cent, the lowest for a decade, taxable profits of Bruntons (Musselburgh), steel wire manufacturers, fell from £1.84m to £1.52m.

When interim profits declined from £857,000 to £775,000, the directors said that the volume of third-quarter output had fallen by 12 per cent. This was mainly due to a reduction in demand brought about by the engineering strike and they feared that the recovery might not be full in the fourth quarter.

For the year the reduction in sales volume was 11 per cent and the increase in value was only 2.9 per cent at £11.1m. However, the company has not been harmed by the steel dispute as raw material stocks have been adequate to support full production in all divisions. In the first quarter of the current year volume output was 13.1 per cent higher than in the corresponding period, which was affected by the road haulage dispute.

1979 1978 £ £ External sales 11,109,367 10,738,117 Trading profit 1,622,476 1,955,302 Depreciation 162,557 173,447 Profit before tax 1,459,919 1,781,859 Tax 26,531 30,148 Interest on m.v.s. 105,308 31,562 Profit 1,227,080 1,720,143

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Morgan Crucible grows £1.2m in fourth quarter

THE fourth quarter at Morgan Crucible Company, industrial materials and components group, gave £1.2m compared with £3m.

This left 1979 pre-tax profits £2.53m ahead at £14.73m. External sales increased from £100.02m to £113.29m and, representing an improvement from 13.7 to 14.5 per cent in margins, trading profits advanced from £13.69m to £15.39m.

Earnings per 25p share put on 3.9p to 2.15p and the dividend total is raised from 6.37p to 7.5p with a final payment of 3p net.

1979 1978 £ £ External sales 113,290 100,020 Carbon 48,601 44,482 Thermic 40,312 25,513 Acorn 19,421 15,728 Other Products 3,954 4,296 Trading profit 15,393 13,691 Depreciation 1,185 30 Profit before tax 14,208 13,661 Tax 1,672 1,228 Profit 12,536 12,433

Breedon & Cloud increases

PRE-TAX profits of Breedon and Cloud Hill Lime Works put on a spurt in the second half of the year to January 31, 1980, and finished the 12 months some £0.24m higher at £1.13m. The first half advance was from £457,000 to £533,000.

Yearly earnings rose by 2.1p to 12.26p per 25p share and a final dividend of 5p effectively raises the total payment from 4.55p to 7.5p net.

Turnover increased from £3.21m to £3.94m. After tax of £330,006 (£412,509), net profits emerged at £547,372 (£445,379) and the dividend cost £364,500 (£221,130).

Secondly, the likely effect of the EEC directive on long-term insurance business, which has to be implemented by 1984, will mean that the company would have to maintain a statutory solvency margin, related to its size of business, in addition to the reserves held to meet the liabilities as assessed by the actuary.

Such a provision will have a more significant effect on small companies because there is a minimum guaranteed fund requirement.

The decision will have no effect on life policies already on the books and the interests of existing policyholders are fully protected. It is anticipated that the end-1979 actuarial valuation will show a satisfactory surplus.

The company has held talks with other life companies with a view to selling the long-term business, but as yet these have not led to much interest being shown. In the absence of a buyer, the life business will be run off as a closed fund.

THE DIRECTORS of Minster Assets, a subsidiary of Minster Assets, have decided to cease writing new life business as from May 1.

There are two basic reasons behind this decision. The company has operated as a general insurance concern since 1940, and in 1964 it started writing long-term business.

But its activity in this sector has been modest, the long-term fund at the end of 1979 being only about £71m. The business written has been conventional life assurance, mainly non-profit endowments connected with mortgage and annuities, and therefore, little affected by the rise of sterling. Furthermore, almost the entire

life business, the only practical course would have been to develop the business more vigorously than before. But this would have involved a costly development programme and it was considered better to concentrate on the general business activities which have broadened in recent years.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre. Total	Total last year
Babcock Int'l.	3.6	May 27	2.93	5.8
A. Beckman	1.95	May 26	1.95	5.73
Breedon Cloud Hill	5	April 30	4.38	7.52
Bruntons (Musselburgh)	4.81	June 26	0.79	3.79
J. Hepworth	0.79	—	2.22	3.22
London Brick	2.63	July 4	2.18	3.63
Magnolia Group	1.5	May 30	0.85	2.1
R. P. Martin	1.5	May 17	1.5	3
Morgan Crucible	3	July 21	2.72	5.38
Wm. Morrison	1.5	May 26	0.88	2.2
Richmond Fk.	1.45	—	1.45	1.45
E. Upston	2	May 30	1.74	2.49
Wombwell Foundry Int'l.	0.37	—	1.5	1.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

product range is linked to fuel conservation and does well out of higher energy prices. The steel strike has hit the first quarter of this year, but there will be ample compensation later as plant is repaired. All three major divisions have contributed higher profits and Rocol, the lubricants operation, should do particularly well out of its enlarged product range this year. The p/e of 5.9 on earnings, however, looks justified, while the 8.4 per cent yield provides respectable support.

Breedon & Cloud increases

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life business, the only practical course would have been to develop the business more vigorously than before. But this would have involved a costly development programme and it was considered better to concentrate on the general business activities which have broadened in recent years.

Airsprung misses forecast

CONTRARY to the forecast at mid-way of a similar fulltime total, taxable profit at Airsprung Group, the unquoted bed manufacturer, fell from £1.7m to £1.2m. Margins were down from 9.1 per cent to 5 per cent on sales £3.46m ahead to £16.3m.

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Advance to £4.6m at Wm. Morrison

MAINTAINING the progress of the first half, when an advance from £1.42m to £1.92m was reported, second half taxable profits of Wm. Morrison Supermarkets rose from £2.15m to £2.67m. This left the figure for the full year to February 2, 1980, some £1.03m better at £4.6m, an increase of 28.9 per cent.

Sales for the 12 months were 18.3 per cent higher at £133.94m, compared with £123.21m for the previous 53 weeks. Profits included rents receivable of £267,000 (£189,000), but were after interest of £300,000 (£196,000).

Tax took £245,000 (£176,000) for earnings of £20.97p (£16.23p) per 10p share, and the total dividend is hoisted from 1p to 2.2p with a final payment of 1.5p net.

Current sales are above budget and show volume growth. However, costs are increasing faster than prices and efforts are being made to make the most of economies, say the directors.

Magnolia Group tops £1.1m

TOPPING the £1m mark for the first time, 1979 profits before tax of Magnolia Group (Musselburgh) improved from £0.87m to £1.12m. Turnover, of this manufacturer and importer of picture frame mouldings, rose from £5.47m to £5.58m.

When reporting a midterm profit advance from £415,000 to £473,000, the directors said demand had continued at higher levels than last year and, provided this situation was maintained, they expected full year profits to show an improvement.

They now state that sales to date indicate conditions in 1980 will not be easy but the company has sufficient work in hand to keep all its factories busy.

After higher tax of £190,000 (£296,000) for 1979, earnings per 10p share emerged slightly lower at 12.2p (£12.66p). A final payment of 1.5p net effectively increases the total dividend from £1.57p to 2.1p, at a cost of £115,000 (£55,000).

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The Takeover Panel have ruled that Mr. Jim Raper, former chairman of Saint Piran, the troubled tin mining and property group, and three overseas companies, Gasco Investments, Ruffee and Aerolinas-Cordoba, must make a full bid for Saint Piran at 85p per share, but Mr. Malcolm Stone, chairman of Saint Piran and also managing director of Gasco, doubted whether Gasco had the capacity to make a bid. The Takeover Panel's ruling came after a claim by a group of Saint Piran shareholders that share stakes totalling 37 per cent of the company were actually controlled by Mr. Raper.

Dealings in Barget, the loss-making furniture manufacturer, resumed following a rescue operation by a Hong Kong company by way of a partial bid. The Barget family, which controls 49 per cent of the equity, have irrevocably agreed to procure acceptances of not less than 50.5 per cent of the company to a 12p per share cash offer from Timox.

Mr. Ted Brian, former chief executive of Norwest Holst, and a 25 per cent shareholder in Dunham Mount, the private company bidding for Norwest, has delayed plans of two of the construction group's directors, Mr. Raymond Slater and Mr. Arthur Lilley, to return the company to private ownership by petitioning for the winding up of Dunham Mount. A meeting at which shareholders were to approve the 145p per share bid for the 42 per cent of Norwest not already owned by Dunham Mount was adjourned until April 18.

Barratt Developments has entered the U.S. house building market with the acquisition of the American National Housing Corporation of California for \$5.7m. Barratt intends further U.S. acquisitions over the next few years.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid before bid	Final Acc'd date
Barratt	125	125	125	125	11/4
Barratt (C.T.)	155	135	141	189.7	11/4
City & Inl. Tst.	173	119	128.1	23.59	11/4
Crav Elect.	103.5	102	95.4	56.38	11/4
Dole Tea	270	250	215	0.29	11/4
Furness Withy	420	375	332	112.5	11/4
Henderson (Kent)	226.5	215	115	14.48	11/4
Hoffmann (S.)	80	80	74	14.10	11/4
Loth & Fyfe	500	475	271	8.24	11/4
Maple	28.5	30	27	8.24	11/4
Mrgn. Edwards	118.5	120	123	4.09	11/4
National	65	64	61	0.66	11/4
Northington (H.)	21	21	18.1	5.67	11/4
Norwest Holst	145	125	115	8.57	11/4
Paradise (H.)	10	17	24.1	8.57	11/4

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid before bid	Final Acc'd date
Polly Peck	9	22	71	0.47	14/4
Royce	30	39	74	5.00	14/4
Serek	71	71	74	32.95	14/4
Statens Discount	75	65	69.1	3.12	14/4
Turner (W.E.)	87.1	82	48.1	9.7	14/4
Viking Oil	300	110	810	—	14/4
Viking Oil	625	110	810.1	—	14/4
Viking Oil	450	110	810.1	—	14/4

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Arenson (A.)	Jan.	498	0.52 (0.45)
Atteck Petrolium	Dec.	20	— (—)
Bryant Group	Nov.	3,360	1.5 (1.05)
Burns Anderson	Dec.	367	0.6 (0.22)
Charterhall	Oct.	20	— (—)
DeLight	Dec.	196	2.0 (—)
Electro Holdings	Dec.	810	1.0 (0.9)
Emesa Lighting	Dec.	170	2.5 (—)
Highland Electric	Oct.	308	— (—)
Inglis Industries	Dec.	81	0.74 (0.67)
Newman Tunks	Mar.	1,120	1.85 (1.5)
Peschey Bros.	Dec.	1,790	2.5 (1.0)
Saga Holidays	Dec.	1,160	2.75 (2.5)
Yarrow	Dec.	330	2.5 (1.85)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. ** Attributable profits. † Net profits.

Rights Issues
Howard Tencos: To raise £1.4m by way of a rights issue on the basis of one for four at 48p.

Scrip Issues
Carrow Company (Holdings): One for one.
Macfarlane Group (Glasgow): One for four.
Wace Group: One for four.
Watts Blake Bearne: One for four.

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
BBA Group	Dec.	8,001	9.3 (8.1)	2.63 (2.18)
Berkeley Hambro	Dec.	3,380	13.0 (9.1)	5.5 (3.86)
Bestwood	Dec.	146	7.8 (3.7)	3.0 (1.0)
BICC	Dec.	65,600	21.4 (16.8)	8.57 (7.79)
Biddle Holdings	Dec.	1,480	19.3 (14.2)	8.6 (7.46)
Black & Edgton	Dec.	1,421	6.1 (9.9)	5.0 (4.99)
Booker McConnell	Dec.	25,008	62.1 (54.8)	12.5 (7.8)
Brammer (H.)	Dec.	6,410	18.9 (17.3)	5.5 (5.0)
Bridson	Dec.	3,580	17,100	5.8 (17.3)
Cape Industries	Dec.	12,480	45.1 (43.9)	11.2 (9.24)
Carron	Dec.	1,610	12,730	17.2 (12.2)
Combined English	Jan.	4,010	6,280	7.3 (8.8)
Crosby House	Dec.	55L	(284)	(—)
Desontier Bros.	Dec.	3,820	3,393	24.6 (18.9)
Early & Marriott	Feb.	421	(560)	5.1 (5.0)
Feb Intnl	Dec.	618	(527)	8.8 (4.4)
Federated Land	Dec.	1,112	(914)	8.8 (4.4)
Firmin & Sons	Dec.	378	(397)	8.3 (8.9)
Freemans (Lond.)	Jan.	15,521	(16,747)	17.8 (14.0)
GKN	Dec.	101,400	(87,300)	32.6 (28.7)
Glynwed	Dec.	18,684	(16,080)	19.2 (17.8)
Gould (Laurence)	Dec.	214	(134)	131 (103.0)
Hanger Invs.	Dec.	2,710	(2,340)	29.3 (25.8)
Harris Queensway	Dec.	8,820	(5,487)	17.3 (12.3)
Hiltons Footwear	Jan.	1,850	(1,600)	20.7 (18.0)
Hyman (L & J.)	Dec.	1,560	(1,540)	4.9 (4.3)
Kleinwortz Bank	Dec.	12,098	(9,077)	22.5 (16.9)
Law Land	Dec.	294	(310)	0.7 (0.9)
Lilley (F. J. C.)	Jan.	5,100	(4,230)	16.8 (13.0)
Low & Roar	Nov.	9,017	(8,661)	49.3 (35.2)
Macfarlane (Cins.)	Dec.	1,670	(1,210)	12.3 (8.4)
Ocean Transport	Dec.	19,733	(14,17)	17.3 (8.1)
Phoenix Ass.	Dec.	32,100	(37,600)	30.4 (38.0)
Provincial Ins.	Dec.	4,850	(3,730)	38.2 (28.8)
Prud. Laundries	Dec.	313	(100)	4.1 (2.1)
Reed Executive	Dec.	3,160	(1,810)	21.1 (14.5)
Rockware Group	Dec.	5,180	(7,020)	20.2 (27.6)
Savoy Hotel	Dec.	3,600	(2,680)	20.1 (15.8)
Silicone	Dec.	1,070	(888)	19.5 (13.3)
Solihull Law	Dec.	491	(796)	3.2 (3.6)
Stimpson Steam	Dec.	1,440	(1,090)	40.4 (30.4)
Sun Alliance	Dec.	49,200	(59,500)	62.9 (67.1)
Titanium Inte.	Dec.	777L	(1,260)	— (—)
Unicore Indus.	Dec.	6,520	(7,430)	14.1 (16.0)
Wace Group	Dec.	318	(240)	8.2 (5.9)
Watts Blake	Dec.	3,510	(3,020)	16.3 (13.9)
Wilkinson Whrtm.	Dec.	879	(1,030)	15.8 (18.2)
Willis Faber	Dec.	17,156	(19,141)	20.3 (21.7)

The Gartmore Moneybuilder

The Moneybuilder is an important concept by Gartmore to make unit trust investment as simple as possible.

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Sharp second half upturn puts Furness Withy over £8m

UNAUDITED figures contained in the offer document from Orient Overseas Container (Holdings) show that Furness Withy Company recovered strongly in the second half of 1979. The profit for the six months reached £7.3m, against only £901,000 at mid-way and £6.45m in the comparable half of 1978.

Even so this left the total for the year down from £12.2m to £8.2m — the lowest since the peak £24.7m achieved in 1974.

Net tangible assets per £1 share at year end were up from 49p to 49.4p and would be higher if current market values were applied, says Mr. R. P. Shaw, the Furness chairman.

In advising shareholders to accept the £20p offer from OOC he comments that the board considers that the increased offer fairly reflects the present value of the ordinary stock "bearing in mind the uncertainties of the shipping industry and the fact that that might be required to realise the company's full profit potential."

Preference holders are being offered 500p cash for each £10 share and they will be entitled to retain the next half year dividend due May 1.

Trading surplus for 1979 dipped to £3.5m (£1.01m) on turnover of £196.5m (£178.8m). Profit on sales of ship was £900,000 (£1.18m) and investment income improved to £4.2m (£2.98m) but interest costs rose to £10.5m (£8.27m).

After a £3.2m (£2.56m) tax stated earnings per share were 19.5p against 33.55p. It is allowable to make for a maintained annual of 5.274p earnings this time, after the extra ACT, would be 17.32p.

Mr. Shaw says the company's financial position remains strong and it is of great significance that the two groups interests are largely complementary and that OOC had given assurance that Furness would remain a separately managed British enterprise.

BIDS AND DEALS Major share shuffle planned for Overseas Containers

BY WILLIAM HALL

A MAJOR reshuffle in the ownership of Overseas Containers (OCL), Britain's biggest container shipping group, is under way following the decision to bring P & O's Middle Eastern services under the OCL umbrella.

Under the scheme, which will come into effect in November, P & O will increase its stake in OCL from 31 per cent to 39 per cent and Ocean Transport and Trading will reduce its stake from 34 per cent to 30 per cent.

The stakes of the two smaller partners in OCL, British and Commonwealth Shipping and Furness Withy, are being reduced by a couple of percentage points to 17 per cent and 14 per cent respectively.

OCL is run along the lines of a club. It was established in 1965 to develop the containerisation of the conventional cargo trades of its four partners. As a route becomes ripe for containerisation the partner involved is obliged to offer it to OCL.

The document says that the merger of the two companies would create a broadly based group able to offer a service on most major world shipping routes. OOC main liner routes are centred on the Far East whereas P & O's routes run from the UK and principally service South and Central America, the Caribbean, Canada and the Mediterranean.

There would be no redundancies at Furness, other than may be necessary in the ordinary course of events, and it will be separately managed under its own name with its vessels sailing under the British flag and manned by British officers and crew.

OOC is about 68 per cent held by C. Y. Tung Group which is one of the world's largest independent shipping groups. Over the five years to 1978 OOC had taxable profits from HK\$ 53.12m to HK\$ 122.68m for the six months to June 30, 1979, profit climbed to HK\$ 89.61m (HK\$ 49.37m).

At the end of 1978 OOC's net tangible assets amounted to HK\$ 476m.

CORAL INDEX: Close 428-433 (-2)

SHOULD I BE SELLING ALL MY SHARES NOW?

We have just witnessed a heavy fall in stockmarkets world wide and seen a spectacular decline in the price of silver especially, gold, natural resource stocks generally, and the oil companies particularly. The market is still terribly volatile but the crucial question is whether this decline will now be reversed or will more bad news drag share prices down again?

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FINANCIAL TIMES CONFERENCE Warning on sugar prices

THERE COULD be another price explosion in the world sugar market in the not too distant future, according to Mr. M. J. C. Stone, chairman of E. D. & F. C. M., London sugar merchants.

At the International Sweetener & Alcohol Conference on London, sponsored jointly by the Financial Times and World Sugar Journal, Mr. Stone said that only greater production rather quickly could prevent this explosion, and he did not see this happening.

The International Sugar Agreement would not prevent prices exploding. During the life of the current pact, 21 months were spent below the minimum price set by the Agreement, for three months prices were in the range specified by the agreement, and now market prices had been above the "ceiling" level for three months.

Importing countries had been guilty of not using the low prices to increase their stocks and thus alleviate the hardship being suffered by exporters. It was particularly reprehensible that many members of the biggest and most effective commodity cartel, the Organisation of Petroleum Exporting Countries (OPEC), had so far failed to join the International Sugar Agreement.

Mr. Stone said there had been a vast increase in speculative activity, and there was the ever present danger of a renewed bout of speculative interest in the market.

Mr. Arthur Calagani, vice-president in charge of commodities for U.S. brokers Paine, Webber, said that high interest rates might depress sugar prices in the short term because of the reduction in the availability of money. But in the longer term prices would be boosted by the lack of investment in new production.

Computer-controlled trading activity was likely to cause more unpredictable technical market price swings than in the past.

Mr. Simon Harris, group economist of the S. and W. Berksford group, advocated a revised basis for calculating the level of beet production quotas in the European Community.

He claimed that the Commission's present proposals significantly overstated the level of production required by not taking adequately into account the Community's commitment to import 1.3m tonnes of cane sugar a year.

The EEC should be prepared to support production of 8.7m tonnes of A-quota sugar (receiving the full intervention price), and 1m tonnes of B-quota, on which a levy is imposed, to allow for crop fluctuations. All sugar produced above 8.7m tonnes should be C-quota (receiving no support), and sold at world market prices.

It was in the Community's interest to join the International Sugar Agreement as non-membership weakened its claim to support the liberalisation of international trade and the successful development of the North-South dialogue between the third world and industrialised countries.

Mr. Michael Atfield, director in charge of sugar trading at Tate and Lyle, said the EEC proposals for reducing production should be accepted to pave the way for membership of the International Agreement. The Community was undermining its attitude towards developing countries by its attitude and inaction towards the world sugar pact.

Sugar exports had been costly to the Community, but the financial sacrifice might be a judicious investment longer term. It would not be easy to reduce EEC production, especially in France where every year an electoral year or a post-electoral year. The proportion of rural votes in France was one of the largest in the Community.

M. L. Renier, deputy-general of French sugar merchants Jean Lelon, took a very different view. He suggested that the EEC Commission should consider postponing for a year or two its proposals to reduce output in the Community. It should reassess whether exports from the EEC were not, in fact, the shock absorber needed to prevent market prices becoming dramatically erratic.

What would happen if quotas were cut and by coincidence Western European crops fell to below average yields leaving a 2m tonnes shortfall? In times of surplus it was necessary to cut production, but when all the experts were forecasting a shortage of supplies in 1981 it would be incongruous to discourage output.

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500,000 New Ordinary Shares of £1 each have been placed at £1.50 per share

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Authorised	Issued
£ 2,952,000	£ 1,100,000
48,000	1,960,000
3,000,000	1,148,000

40 BUCKLESBURY LONDON EC4N 8BD Tel: 01-248 5675

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Allied Irish Bank	17 1/2
Amro Bank	17 1/2
American Express Bk.	17 1/2
Henry Ansbacher	17 1/2
Bank of America	17 1/2
Bank of Montreal	17 1/2
Bank of New York	17 1/2
Bank of Paris	17 1/2
Bank of Spain	17 1/2
Bank of Sweden	17 1/2
Bank of Switzerland	17 1/2
Bank of the Netherlands	17 1/2
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Stock Exchange Dealings

The list below gives the prices at which bargains were done by members of the Stock Exchange on Thursday, April 3, 1980.

Thursday, April 3	24,466
Wednesday, April 2	33,560
Tuesday, April 1	25,475
Monday, March 31	22,402
Friday, March 27	19,525
Thursday, March 27	19,525

The list below gives the prices at which bargains were done by members of the Stock Exchange on Thursday, April 3, 1980. For those securities not marked in Thursday's List, we show the latest marketings recorded during the previous four business days: these are distinguished by the dates shown in parentheses. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 2.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

A Bargains done with or between non-members.

Bargains done previous day.

Bargains done for delayed delivery or 'no buy-in'.

S-Australia; S-Bahamas; S-Canada; S-Hong Kong; S-Japan; S-New Zealand; S-Singapore; S-Switzerland; S-Sweden; S-Switzerland.

BRITISH FUNDS (626)

24pc Annu. 1981-1121		
24pc Annu. 1982-3770	1/4	514 7/8
24pc Annu. 1983-3770	1/4	514 7/8
24pc Annu. 1984-3770	1/4	514 7/8
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24pc Annu. 2215-3770	1/4	514 7/8
24pc Annu. 2216-3770	1/4	514 7/8
24pc Annu. 2217-3770	1/4	514 7/8
24pc Annu. 2218-3770	1/4	514 7/8
24pc Annu. 2219-3770	1/4	514 7/8
24pc Annu. 2220-3770	1/4	514 7/8
24pc Annu. 2221-3770	1/4	514 7/8
24pc Annu. 2222-3770	1/4	514 7/8
24pc Annu. 2223-3770	1/4	514 7/8
24pc Annu. 2224-3770	1/4	514 7/8
24pc Annu. 2225-3770	1/4	514 7/8
24pc Annu. 2226-3770	1/4	514 7/8
24pc Annu. 2227-3770	1/4	514 7/8
24pc Annu. 2228-3770	1/4	514 7/8
24pc Annu. 2229-3770	1/4	514 7/8
24pc Annu. 2230-3770	1/4	514 7/8
24pc Annu. 2231-3770	1/4	514 7/8
24pc Annu. 2232-3770	1/4	514 7/8
24pc Annu. 2233-3770	1/4	514 7/8
24pc Annu. 2234-3770	1/4	514 7/8
24pc Annu. 2235-3770	1/4	514 7/8
24pc Annu. 2236-3770	1/4	514 7/8
24pc Annu. 2237-3770	1/4	514 7/8
24pc Annu. 2238-3770	1/4	514 7/8
24pc Annu. 2239-3770	1/4	514 7/8
24pc Annu. 2240-3770	1/4	514 7/8
24pc Annu. 2241-3770	1/4	514 7/8
24pc Annu. 2242-3770	1/4	514 7/8
24pc Annu. 2243-3770	1/4	514 7/8
24pc Annu. 2244-3770	1/4	514 7/8
24pc Annu. 2245-3770	1/4	514 7/8
24pc Annu. 2246-3770	1/4	514 7/8
24pc Annu. 2247-3770	1/4	514 7/8
24pc Annu. 2248-3770	1/4	514 7/8
24pc Annu. 2249-3770	1/4	514 7/8
24pc Annu. 2250-3770	1/4	514 7/8
24pc Annu. 2251-3770	1/4	514 7/8
24pc Annu. 2252-3770	1/4	514 7/8
24pc Annu. 2253-3770	1/4	514 7/8
24pc Annu. 2254-3770	1/4	514 7/8
24pc Annu. 2255-3770	1/4	514 7/8

American Smaller Companies

● Top performing American Trust in 1979
● Up 35.4% since launch (Dow Jones minus 3.7%)

For the portfolio and views on the American stock market contact:
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FREEPHONE 3 169 (via operator).

Schlesingers

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

ENGINEERING—Continued

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

CHEMICALS, PLASTICS—Cont.

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

BANKS & HP—Continued

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

FOREIGN BONDS & RAILS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

BRITISH FUNDS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

AMERICANS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

Hire Purchase, etc.

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

BEERS, WINES AND SPIRITS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

BUILDING INDUSTRY, TIMBER AND ROADS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

DRAPERY AND STORES

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

HOTELS AND CATERERS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

INDUSTRIALS (Miscel.)

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

CANADIANS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

BANKS AND HIRE PURCHASE

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

ELECTRICALS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

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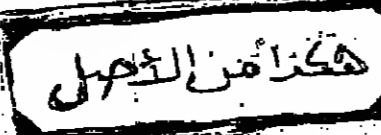
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FOOD, GROCERIES, ETC.

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00

ENGINEERING MACHINE TOOLS

Stock	Price	Change	Stock	Price	Change
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00
Amalgamated	10.00	0.00	Amalgamated	10.00	0.00



FINANCE, LAND—Continued

Line	Stock	Price	Chg	High	Low	Open	Close
25	Lon. Earn. Exp.	27	+2	27	26	26	27
26	Lon. Merch.	208	—	207	206	206	207
27	Lon. S. S. Co.	108	—	107	106	106	107
28	Lon. S. S. Co.	108	—	107	106	106	107
29	Lon. S. S. Co.	108	—	107	106	106	107
30	Lon. S. S. Co.	108	—	107	106	106	107
31	Lon. S. S. Co.	108	—	107	106	106	107
32	Lon. S. S. Co.	108	—	107	106	106	107
33	Lon. S. S. Co.	108	—	107	106	106	107
34	Lon. S. S. Co.	108	—	107	106	106	107
35	Lon. S. S. Co.	108	—	107	106	106	107
36	Lon. S. S. Co.	108	—	107	106	106	107
37	Lon. S. S. Co.	108	—	107	106	106	107
38	Lon. S. S. Co.	108	—	107	106	106	107
39	Lon. S. S. Co.	108	—	107	106	106	107
40	Lon. S. S. Co.	108	—	107	106	106	107
41	Lon. S. S. Co.	108	—	107	106	106	107
42	Lon. S. S. Co.	108	—	107	106	106	107
43	Lon. S. S. Co.	108	—	107	106	106	107
44	Lon. S. S. Co.	108	—	107	106	106	107
45	Lon. S. S. Co.	108	—	107	106	106	107
46	Lon. S. S. Co.	108	—	107	106	106	107
47	Lon. S. S. Co.	108	—	107	106	106	107
48	Lon. S. S. Co.	108	—	107	106	106	107
49	Lon. S. S. Co.	108	—	107	106	106	107
50	Lon. S. S. Co.	108	—	107	106	106	107
51	Lon. S. S. Co.	108	—	107	106	106	107
52	Lon. S. S. Co.	108	—	107	106	106	107
53	Lon. S. S. Co.	108	—	107	106	106	107
54	Lon. S. S. Co.	108	—	107	106	106	107
55	Lon. S. S. Co.	108	—	107	106	106	107
56	Lon. S. S. Co.	108	—	107	106	106	107
57	Lon. S. S. Co.	108	—	107	106	106	107
58	Lon. S. S. Co.	108	—	107	106	106	107
59	Lon. S. S. Co.	108	—	107	106	106	107
60	Lon. S. S. Co.	108	—	107	106	106	107
61	Lon. S. S. Co.	108	—	107	106	106	107
62	Lon. S. S. Co.	108	—	107	106	106	107
63	Lon. S. S. Co.	108	—	107	106	106	107
64	Lon. S. S. Co.	108	—	107	106	106	107
65	Lon. S. S. Co.	108	—	107	106	106	107
66	Lon. S. S. Co.	108	—	107	106	106	107
67	Lon. S. S. Co.	108	—	107	106	106	107
68	Lon. S. S. Co.	108	—	107	106	106	107
69	Lon. S. S. Co.	108	—	107	106	106	107
70	Lon. S. S. Co.	108	—	107	106	106	107
71	Lon. S. S. Co.	108	—	107	106	106	107
72	Lon. S. S. Co.	108	—	107	106	106	107
73	Lon. S. S. Co.	108	—	107	106	106	107
74	Lon. S. S. Co.	108	—	107	106	106	107
75	Lon. S. S. Co.	108	—	107	106	106	107
76	Lon. S. S. Co.	108	—	107	106	106	107
77	Lon. S. S. Co.	108	—	107	106	106	107
78	Lon. S. S. Co.	108	—	107	106	106	107
79	Lon. S. S. Co.	108	—	107	106	106	107
80	Lon. S. S. Co.	108	—	107	106	106	107
81	Lon. S. S. Co.	108	—	107	106	106	107
82	Lon. S. S. Co.	108	—	107	106	106	107
83	Lon. S. S. Co.	108	—	107	106	106	107
84	Lon. S. S. Co.	108	—	107	106	106	107
85	Lon. S. S. Co.	108	—	107	106	106	107
86	Lon. S. S. Co.	108	—	107	106	106	107
87	Lon. S. S. Co.	108	—	107	106	106	107
88	Lon. S. S. Co.	108	—	107	106	106	107
89	Lon. S. S. Co.	108	—	107	106	106	107
90	Lon. S. S. Co.	108	—	107	106	106	107
91	Lon. S. S. Co.	108	—	107	106	106	107
92	Lon. S. S. Co.	108	—	107	106	106	107
93	Lon. S. S. Co.	108	—	107	106	106	107
94	Lon. S. S. Co.	108	—	107	106	106	107
95	Lon. S. S. Co.	108	—	107	106	106	107
96	Lon. S. S. Co.	108	—	107	106	106	107
97	Lon. S. S. Co.	108	—	107	106	106	107
98	Lon. S. S. Co.	108	—	107	106	106	107
99	Lon. S. S. Co.	108	—	107	106	106	107
100	Lon. S. S. Co.	108	—	107	106	106	107

Line	Stock	Price	Chg	High	Low	Open	Close
101	Lon. S. S. Co.	108	—	107	106	106	107
102	Lon. S. S. Co.	108	—	107	106	106	107
103	Lon. S. S. Co.	108	—	107	106	106	107
104	Lon. S. S. Co.	108	—	107	106	106	107
105	Lon. S. S. Co.	108	—	107	106	106	107
106	Lon. S. S. Co.	108	—	107	106	106	107
107	Lon. S. S. Co.	108	—	107	106	106	107
108	Lon. S. S. Co.	108	—	107	106	106	107
109	Lon. S. S. Co.	108	—	107	106	106	107
110	Lon. S. S. Co.	108	—	107	106	106	107
111	Lon. S. S. Co.	108	—	107	106	106	107
112	Lon. S. S. Co.	108	—	107	106	106	107
113	Lon. S. S. Co.	108	—	107	106	106	107
114	Lon. S. S. Co.	108	—	107	106	106	107
115	Lon. S. S. Co.	108	—	107	106	106	107
116	Lon. S. S. Co.	108	—	107	106	106	107
117	Lon. S. S. Co.	108	—	107	106	106	107
118	Lon. S. S. Co.	108	—	107	106	106	107
119	Lon. S. S. Co.	108	—	107	106	106	107
120	Lon. S. S. Co.	108	—	107	106	106	107
121	Lon. S. S. Co.	108	—	107	106	106	107
122	Lon. S. S. Co.	108	—	107	106	106	107
123	Lon. S. S. Co.	108	—	107	106	106	107
124	Lon. S. S. Co.	108	—	107	106	106	107
125	Lon. S. S. Co.	108	—	107	106	106	107
126	Lon. S. S. Co.	108	—	107	106	106	107
127	Lon. S. S. Co.	108	—	107	106	106	107
128	Lon. S. S. Co.	108	—	107	106	106	107
129	Lon. S. S. Co.	108	—	107	106	106	107
130	Lon. S. S. Co.	108	—	107	106	106	107
131	Lon. S. S. Co.	108	—	107	106	106	107
132	Lon. S. S. Co.	108	—	107	106	106	107
133	Lon. S. S. Co.	108	—	107	106	106	107
134	Lon. S. S. Co.	108	—	107	106	106	107
135	Lon. S. S. Co.	108	—	107	106	106	107
136	Lon. S. S. Co.	108	—	107	106	106	107
137	Lon. S. S. Co.	108	—	107	106	106	107
138	Lon. S. S. Co.	108	—	107	106	106	107
139	Lon. S. S. Co.	108	—	107	106	106	107
140	Lon. S. S. Co.	108	—	107	106	106	107
141	Lon. S. S. Co.	108	—	107	106	106	107
142	Lon. S. S. Co.	108	—	107	106	106	107
143	Lon. S. S. Co.	108	—	107	106	106	107
144	Lon. S. S. Co.	108	—	107	106	106	107
145	Lon. S. S. Co.	108	—	107	106	106	107
146	Lon. S. S. Co.	108	—	107	106	106	107
147	Lon. S. S. Co.	108	—	107	106	106	107
148	Lon. S. S. Co.	108	—	107	106	106	107
149	Lon. S. S. Co.	108	—	107	106	106	107
150	Lon. S. S. Co.	108	—	107	106	106	107
151	Lon. S. S. Co.	108	—	107	106	106	107
152	Lon. S. S. Co.	108	—	107	106	106	107
153	Lon. S. S. Co.	108	—	107	106	106	107
154	Lon. S. S. Co.	108	—	107	106	106	107
155	Lon. S. S. Co.	108	—	107	106	106	107
156	Lon. S. S. Co.	108	—	107	106	106	107
157	Lon. S. S. Co.	108	—	107	106	106	107
158	Lon. S. S. Co.	108	—	107	106	106	107
159	Lon. S. S. Co.	108	—	107	106	106	107
160	Lon. S. S. Co.	108	—	107	106	106	107
161	Lon. S. S. Co.	108	—	107	106	106	107
162	Lon. S. S. Co.	108	—	107	106	106	107
163	Lon. S. S. Co.	108	—	107	106	106	107
164	Lon. S. S. Co.	108	—	107	106	106	107
165	Lon. S. S. Co.	108	—	107	106	106	107
166	Lon. S. S. Co.	108	—	107	106	106	107
167	Lon. S. S. Co.	108	—	107	106	106	107
168	Lon. S. S. Co.	108	—	107	106	106	107
169	Lon. S. S. Co.	108	—	107	106	106	107
170	Lon. S. S. Co.	108	—	107	106	106	107
171	Lon. S. S. Co.	108	—	107	106	106	107
172	Lon. S. S. Co.	108	—	107	106	106	107
173	Lon. S. S. Co.	108	—	107	106	106	107
174	Lon. S. S. Co.	108	—	107	106	106	107
175	Lon. S. S. Co.	108	—	107	106	106	107
176	Lon. S. S. Co.	108	—	107	106	106	107
177	Lon. S. S. Co.	108	—	107	106	106	107
178	Lon. S. S. Co.	108	—	107	106	106	107
179	Lon. S. S. Co.	108	—	107	106	106	107
180	Lon. S. S. Co.	108	—	107	106	106	107
181	Lon. S. S. Co.	108	—	107	106	106	107
182	Lon. S. S. Co.	108	—	107	106	106	107
183	Lon. S. S. Co.	108	—	107	106	106	107
184	Lon. S. S. Co.	108	—	107	106	106	107
185	Lon. S. S. Co.	108	—	107	106	106	107
186	Lon. S. S. Co.	108	—	107	106	106	107
187	Lon. S. S. Co.	108	—	107	106	106	107
188	Lon. S. S. Co.	108	—	107	106	106	107
189	Lon. S. S. Co.	108	—	107	106	106	107
190	Lon. S. S. Co.	108	—	107	106	106	107
191	Lon. S. S. Co.	108	—	107	106	106	107
192	Lon. S. S. Co.	108	—	107	106	106	107
193	Lon. S. S. Co.	108	—	107	106	106	107
194	Lon. S. S. Co.	108	—	107	106	106	107
195	Lon. S. S. Co.	108	—	107	106	106	107
196	Lon. S. S. Co.	108	—	107	106	106	107
197	Lon. S. S. Co.	108	—	107	106	106	107
198	Lon. S. S. Co.	108	—	107	106	106	107
199	Lon. S. S. Co.	108	—	107	106	106	107
200	Lon. S. S. Co.	108	—	107	106	106	107

Line	Stock	Price	Chg	High
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MAN OF THE WEEK

Bridging the steel divide

BY JOHN ELLIOTT

WHEN THE last Conservative Government wanted to buy its way out of two of its damaging industrial confrontations, first with the electricity supply workers and then with the miners, it called on Lord Lever, a leading judge, to head courts of inquiry. He then obligingly produced reports which added several percentage points to the employers' last offers, and peace was secured. This time it has not been a legal luminary but a Labour millionaire who has brought in from his stratospheric world of international monetary affairs to work at high speed and add just a single percentage point to get the steelworkers back to their plants. The millionaire is Lord Lever, the 66-year-old former Lahr MP.

On the face of it Lord Lever was a somewhat unlikely candidate to be asked to carry off



Harold Lever
Points of commonness

such a feat. A former Labour Minister and confidant of Prime Ministers, he comes from a well-known Manchester business family, and in his latter months as a Manchester MP in 1979 had trouble from Left-wingers in his constituency.

He made his name in the world of high finance, and lives in elegant luxury in London's Eaton Square. No-one has been specially aware that he knows anything about labour relations and, although a harristier by profession, he has had no special experience of tribunal or arbitration work.

It was however some of these characteristics, that helped to make him an attractive candidate for all concerned, and caused the British Steel Corporation to propose him privately to the Advisory Conciliation and Arbitration Service after first delicately clearing his name with Ministers.

For the second time in three years Lord Lever was therefore being called in to make maximum use of his impressive intellect and gentle but firm powers of verbal persuasion to bridge a difficult gulf.

The first time was at the end of 1977 when Mr. James Callaghan, then Prime Minister, gave him the job of persuading the small businessmen of Britain that they were being cared for in Whitehall and Westminster and that voting Labour did not mean voting for the extinction of private enterprise.

Railmen set pace for May 14 protest day

BY PAULINE CLARK, LABOUR STAFF

LEADING trades unions have begun completing plans to cripple public services and private industry on May 14, the TUC national day of protest against Government policies. The signs are that the day will prove one of severe disruption.

Trades unions throughout the country are being called on by their leaders to take action that will leave Britain without public transport, national newspapers and many local authority and public services.

In the public sector their action might lead to one-day closures in schools, a depleted hospital service and minimal activity in town halls and social service offices.

The extent to which strike action will affect offices and manufacturing industries is not certain, but the effects of a crippled public transport system are expected to lead to a frustrating day for private business and industry.

Therefore, the National Union of Railwaymen's announcement this weekend that it is calling on most of its 180,000 members to stop work

on May 14 was the most important for the TUC so far—although the railmen made clear some time ago that they would give strong support. Apart from disrupting the passenger rail service, the union's action is expected to affect major ports, cross-Channel ferries, the National Carriers road freight operation and the London Underground system.

Most unions are not issuing instructions as such, but calling on their members for support, because of the constitutional difficulties many of them would have in ordering an official strike without ballots or referendum back to the membership.

In the case of unions such as the railwaymen's, a good response is expected. The extent to which bus services will be affected will be known next week when the national bus service committee of the Transport and General Workers Union meets to finalise its plans.

The National and Local Government Officers' Association this weekend sent out a call to its members urging full

support for events being organised on May 14 by regional TUC officers and local trades councils.

It expects action to lead to crippled town hall services, closed libraries and rent offices and shut-downs in many other public services departments.

The National Union of Public Employees has also made a clear-cut call for a one-day strike which could hit all but emergency work in hospitals and other public service centres.

The Confederation of Health Service Employees will decide next week on how far to ask nurses to be involved in the action.

The General and Municipal Workers' Union has already called on all its members to participate in one-day or part-day stoppages in order to join in protest meetings.

The Society of Graphical and Allied Trades has decided to walk out on May 13, halting publication of national newspapers on May 14, although no union action has been planned so far which would prevent newspapers appearing on May 15.

Shell wins \$30m for Salem oil

BY JOHN MOORE

SHELL International Petroleum has received \$30.5m (£14.1m) from SFF Association, South Africa's official oil purchasing agency, as payment for part of a cargo of oil that was mysteriously discharged at Durban from the tanker Salem.

The sum does not cover the full value put on the cargo, but should reduce the total liability of Lloyd's underwriters, who are being sued by Shell. The full value of the cargo is put at \$56.3m.

Shell has been trying to recover from its insurers on 196,231 tonnes of crude oil loaded on the Salem at Kuwait

on December 10 last year. On December 11, Shell bought the oil from Pontio, an Italian private oil company.

After an unscheduled stop at Durban, the cargo bound for Europe was unloaded. The Salem sank on January 17, after a series of explosions.

The 1969-built ship had been bought shortly before the voyage by the Oxford Shipping Company, which is registered in Liberia with an office in Texas.

A Tunisian crew member has alleged that the bulk of the oil was discharged, it was replaced with seawater to make the Salem appear fully loaded.

Shell says only 16,000 tonnes of the oil was left on board, to give the impression that an oil cargo was being carried.

Shell said on Thursday that, after obtaining advice on its right of recovery under South African law, it had accepted a substantial sum in full and final settlement of all claims against SFF Association, and SFF has accepted a release by Shell.

But Shell warned that it intended to pursue other claims in respect of the loss suffered and stressed that alleged irregularities by third parties were still being investigated by the police.

U.S. March car sales fall 16%

BY DAVID LASCELES IN NEW YORK

CAR SALES continued their downward spiral in the U.S. last month. The main domestic manufacturers announced new lay-offs and production cuts. Volkswagen increased sales also fell sharply.

Total sales were down 16 per cent on March last year to 892,000. Domestic manufacturers sold 19 per cent fewer cars, while sales of imports were 6.9 per cent down.

That figure, compiled in a survey by the Wall Street Journal, is the one possibly most indicative of car market trends. It was the first fall in sales of imports for 15 months, suggesting that ailing foreign car sales have been checked.

The figures also point to an underlying weakness, since imported cars are usually the more popular small models, which have tended to resist the car market's cyclical downturn.

The importers' market share dropped a shade to 25 per cent.

Against that trend, however, Volkswagen increased sales of its domestically produced Rabbits by 15 per cent and American Motors, also a maker of smaller models, raised sales by 23 per cent.

Among the big three, the biggest declines came at Ford and Chrysler, both of which recorded sales falls of 26 per cent. General Motors' sales were down 16 per cent. The drop may have something to do with the huge discounts that all three were offering in February, which expired at various times last month. Record interest rates have also depressed the market.

Although the U.S. car industry views with concern the long-term growth of imports, the Carter Administration

continues to resist calls for import restrictions, particularly against the Japanese, who have made by far the most headway.

At Senate committee hearings this week, White House officials opposed any kind of curbs, considering that that would produce only short-term gains in employment. At the same time, it would not help the decline in petrol consumption for which the Administration is aiming.

A delegation from the Japanese Ministry of International Trade and Industry is due in Washington next week to discuss Japanese car imports with Mr. Robert Hormats, President Jimmy Carter's Deputy Special Trade Representative.

News of declining sales came as the big three announced further plant closures that will make about 63,000 workers temporarily idle.

Stone-Platt seeks bank aid after technical default

By Andrew Fisher

STONE-PLATT, the engineering group which slid sharply into the red last year, has called on its bankers for support after a technical default on part of its £40m borrowings.

The Bank of England is understood to have provided facilities for the banks to discuss the situation, and to have chaired the meeting at which the restructuring was decided.

The company's debt was hurriedly restructured with the agreement of about 10 British and foreign, including U.S., banks after it was found that £17.5m written-off reserves last year had triggered a default clause.

The actual default was on one of the company's medium-term loans. One of the banks involved wrote to Stone-Platt saying that other medium-term loans thus became technically in default.

News of the restructuring lopped 7p off the company's shares, which closed on Thursday at 28p, having fallen last month after Stone-Platt announced a pre-tax loss of nearly £3m last year against a 1978 profit of £9.5m.

Many of the company's difficulties have arisen from the depression in the world market for textile machinery, leading to its decision recently to close its factory at Oldham, Greater Manchester, with loss of 850 jobs, by the end of this year.

Under the new loan arrangements, all Stone-Platt's UK borrowings become due on January 4, 1982. The total remains the same at £39.9m, the company is looking at possible asset sales to help restore its finances.

At the New Year Stone-Platt had £30.1m of UK bank borrowings and £5.7m overseas, as well as £4.1m of debenture stock. Because of the default, the summary of debt maturities in the latest balance sheet became incorrect.

Since the company would have had to repay most of its medium-term debt at once, the restructuring became urgently necessary, with poor immediate trading outlook and high interest charges as an added spur.

Stone-Platt has £3m worth of overdrafts and short-term loans, all overseas. £30.1m of overdrafts and other loans maturing in January, 1982, and long and medium-term borrowings of £6.8m, including the 7 per cent debenture stock 1984-89.

Before the loan reorganisation, the company had overdrafts and short-term loans of £2.7m and long and medium-term borrowings of £3.2m, including £8.7m repayable within five years.

The company refused to say which banks had printed out the default, or which loan was initially affected.

Weather

MAINLY dry and sunny; rain in Scotland.
London, South, Midlands, Wales, N. England
Sunny after fog clears, warm. Max. 15C (59F).
S.E. and E. England
Sunny, cold on coasts. Max. 13C (55F).
N.W. England, Lakes, I. of Man, N.W. Scotland, Moray
Sunny, warm. Max. 11-13C (52-55F).
Outlook: Sunny intervals in S., changeable in N.; less warm.

WORLDWIDE

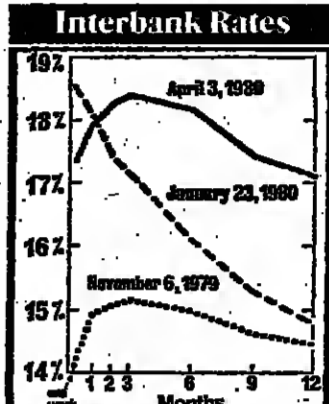
	Y day	Y day	Y day
	midday	midday	midday
Algeria	17 63.1	Pima	21 70
Algiers	17 63.1	Lisbon	20 68
Amsterdam	17 63.1	London	18 55
Athens	19 66	London	12 54
Bahamas	34 63.1	London	3 37
Bahia	19 66	London	30 86
Batumi	19 66	Madrid	14 57
Bombay	14 57	Moscow	15 59
Buenos Aires	14 57	Moscow	15 59
Burgas	14 57	Moscow	15 59
Burns	14 57	Moscow	15 59
Calcutta	14 57	Moscow	15 59
Cardiff	14 57	Moscow	15 59
Cebu	14 57	Moscow	15 59
Colon	14 57	Moscow	15 59
Copenhagen	14 57	Moscow	15 59
Dublin	14 57	Moscow	15 59
Edinburgh	14 57	Moscow	15 59
Fair	14 57	Moscow	15 59
Geneva	14 57	Moscow	15 59
Glasgow	14 57	Moscow	15 59
Guernsey	14 57	Moscow	15 59
Hamburg	14 57	Moscow	15 59
Hong Kong	14 57	Moscow	15 59
Imbibi	14 57	Moscow	15 59
Jersey	14 57	Moscow	15 59
London	14 57	Moscow	15 59
Lyons	14 57	Moscow	15 59
Madrid	14 57	Moscow	15 59
Manila	14 57	Moscow	15 59
Moscow	14 57	Moscow	15 59
Mumbai	14 57	Moscow	15 59
Nairobi	14 57	Moscow	15 59
Paris	14 57	Moscow	15 59
Rangoon	14 57	Moscow	15 59
Reykjavik	14 57	Moscow	15 59
Rome	14 57	Moscow	15 59
Singapore	14 57	Moscow	15 59
Stockholm	14 57	Moscow	15 59
Sydney	14 57	Moscow	15 59
Taipei	14 57	Moscow	15 59
Tokyo	14 57	Moscow	15 59
Winnipeg	14 57	Moscow	15 59
Zurich	14 57	Moscow	15 59

THE LEX COLUMN

Losing steam at Babcock

This week prime rates in the U.S. went to the 20 per cent level, and in London the money market tightened again taking short term rates almost back to the peak levels seen at the beginning of March. The Chancellor held out hopes for lower interest rates in his Budget speech ten days ago, but clearly it is going to take a lot longer for a decisive change to occur. Fading hopes in the money market are clearly evident in the recent rise in rates at around the one year term. But right at the long end of the gilt-edged market enthusiasm is being rekindled, as was shown by the buying out of the long tap stock Treasury 14 per cent 1996 on Tuesday.

Index rose 0.5 to 432.6



Babcock Intl.

A decade of growth has come to an end for Babcock International, with pre-tax profits falling by £7.5m in 1979 to £32m. A formidable combination of problems is responsible for the reversal, and these are unlikely to disappear in the current year. The dearth of big new international projects has hit the contracting side, where turnover is 20 per cent down and trading profits almost as much. Another £3m or so of the profits drop is accounted for by provisions for doubtful debts in Iran and Nigeria, and the transport and engineering strikes have reduced profits by more than £5m, while the strength of the pound has revalued in a further £2.2m decline in currency translation. Finally, the steep downturn in the U.S. auto market has hit both American Chain and the newly-acquired Keeler, although gains on the non-auto side have allowed both to push up earnings in dollar terms.

In the current year there should be some recovery at the trading level, Babcock Power, where the Drax orders by 66 per cent last year, should become markedly more profitable as the new facilities at Renfrew

come into operation. There should also be some recovery in the U.S. car market, where the introduction of new models is likely to produce orders for materials handling equipment. Against this, interest charges, which jumped in the second half, are likely to rise to about £11m in the current year, and counterbalance most of the trading improvement. So it is not surprising that the company's confident signal in raising the dividend by nearly 20 per cent is balanced by a warning that the immediate outlook is not promising. The share price dropped 1p on Thursday to 93p, for a yield of about 11 per cent and a p/e below 6, fully-taxed.

Hidden menace

An unseen enemy could be stalking a number of company balance sheets. On December 31 it struck at Stone-Platt, although it was last Thursday before news of the damage came out into the open. This hidden danger takes the form of the restrictive bank loan agreement, of a kind signed by many companies which have fixed up medium term facilities with banks. Originally an American prac-

tice, such agreements have also become common in this country because the disappearance of the new issue market in compliance at the time of takeovers, of its bankers.

Exactly what restrictions are contained within such agreements is hard to say. They are shrouded in banking secrecy, and in any case no doubt vary from bank to bank. But on the rare occasions when they come to the surface, such as when documents are displayed at the time of takeovers, they are seen to contain limits on ratios such as of debt to net worth, and of interest payable to profits.

Another feature, as the unfortunate Stone-Platt has found, is that each bank has its own protective clause against default. When the most restrictive covenant is infringed, and that particular bank becomes entitled to immediate repayment, all the other banks qualify for their money back too.

Such restrictive clauses were usually also included in the trust deeds which backed traditional debenture and other loan stocks. At least, however, these trust deeds were public knowledge (being freely available through Exel files). But nowadays the public is left in the dark. It is time that the Stock Exchange took a more active interest in this area. It would not be unreasonable to ask companies to disclose at least the most restrictive of the agreements they have entered into.

Last Monday, March 31, was a day on which many companies closed their books for the financial year. Some finance directors have no doubt already gone into a huddle with their merchant bank advisers to find a way round a critical clause in a loan agreement. It may be a few weeks or months, but it will become clear whether some of them have failed to find a solution.

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*As at 1st April, 1980.

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Caledonian plans DC-10 lawsuit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Caledonian Airways, the leading UK independent airline, is to sue the U.S. Federal Aviation Administration for barring UK-owned DC-10 jet airliners from U.S. airspace last summer after the UK Civil Aviation Authority had declared the aircraft safe.

Mr. Adam Thomson, the airline's chairman, says in his statement accompanying the annual accounts of the Caledonian Airways Group that, if the suit and subsequent damage proceedings succeed, the airline hopes to recover at least £1m of the lost profits of £2.3m it suffered through the FAA's action.

The FAA grounded DC-10s throughout the U.S. after the accident at Chicago last May, in which a DC-10 of American Airlines was destroyed.

Other world aviation authorities followed suit, but after 13 days the UK Civil Aviation Authority cleared the British DC-10s, including British Caledonian's three, as safe to fly.

However, the FAA refused to let any foreign-owned DC-10s into its airspace for another 24 days, thereby denying British Caledonian and other airlines, including Laker, the use of valuable capacity on lucrative routes into the U.S.

Mr. Thomson says that, in his airline's view, the U.S. action was in breach of treaty obligations since the DC-10s at that time had a valid British Certificate of Airworthiness.

In addition to the DC-10 troubles, soaring fuel prices also added £3m to the airline's total costs last year.

however, the Caledonian Airways Group, which includes B-Cal and travel, hotel, engineering and helicopter companies, earned as a whole trading profit of £7.4m for the financial year ended October 31.

After allocating £348,000 to the employee profit-sharing scheme, and payment interest on loan capital, the group's pre-tax profit was £6.6m, against £12.3m in the previous year.

Turnover rose by nearly £24m to a record £200m.

British Caledonian's own trading profit amounted to £4.6m, while the airline contributed more than £154m to the group's turnover. In the previous year, its trading profit exceeded £9.9m and its contribution to group turnover was £163m.

In spite of such handicaps, Oil, Algeria has added \$3 a barrel to its basic price as a down payment towards future exploration investment.

Countries are able to impose these surcharges, even in a market with a modest supply surplus, because importers are still anxious to secure firm delivery contracts.

There is still wide-spread concern about supply disruptions in the near future. The fact that Nigeria is reported to be seeking premium payments is seen within the industry as confirmation of a precariously-balanced market.

North Sea oil Continued from Page 1

allow traders to resell UK oil at higher prices.

Since the end of 1978, when Forbes oil was being sold for \$14 a barrel, North Sea prices have risen seven times. It was being emphasised in the industry last night that if prices were raised again in the near future it would be more a move to adjust differentials between competitive crudes than another turn of the worldwide oil price spiral.

In view of depressed demand levels and the large stocks now held by oil companies it is not expected that members of the Organisation of Petroleum

Exporting Countries will attempt a general pricing revision. Even so, Iran has just raised its basic price by \$2.50 a barrel to bring the rate for its light crude to \$33.50 a barrel.

Iran, like a growing number of major exporters, is charging a premium on much of its oil supplies; the effective selling price is now around \$18.75 a barrel above the base level. According to industry reports Kuwait is imposing a \$5.50 a barrel premium on at least half of the oil it is selling under new contracts to BP, Shell and Gulf

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